JANUARY 7, 1956

foreign trade

CANADA

BUSINESS CONDITIONS in the MIDDLE EAST (pages 2 to 17)

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cover An oil tanker and palm trees seem fitting symbols of the modern Middle East, where oil discoveries are producing the revenues to finance development plans, or give promise of greater self-sufficiency. For reports on business conditions in six countries in this important region, see pages two to seventeen.

ISRAEL

H. W. RICHARDSON, *Commercial Secretary, Athens.*

Continued shortage of foreign exchange makes strict control of imports necessary; limits opportunities for Canadian and other dollar-area suppliers. Israel's exports slowly rising but cover only about 30 per cent of imports.

OUTSTANDING DEVELOPMENTS in the economic situation in Israel over the past twelve months were:

- The first discovery of oil in the northern Negev near the disputed Gaza strip. This discovery holds out hopes for an initial saving of about 5 per cent of the $40 million spent annually on almost 1·3 million tons of imported fuels.

- The opening of the 65-mile Yarkon-Negev pipeline, permitting the flow of much needed water from the Yarkon River north of Tel-Aviv to irrigate the barren Negev area in the south and increase the agricultural potential.

- The production on a pilot plant scale of uranium from local phosphate ores.

As for the trade picture, exports, at approximately the 1954 level for the first six months of 1955, continued to be small in relation to imports, which increased 8·6 per cent over the previous year. Consequently, the trade gap widened. Import and foreign exchange controls remained and trading was hindered by a shortage of working capital, the result of bank credit restrictions. Nevertheless, all sectors of the economy showed increased activity and many long-term development projects are going ahead.

Immigration during 1956 is expected to triple the recent rate. This will place a new strain on the country and increase import needs, though the burden will be much lighter than during the immigration in the early years of the state. Because of more frequent and serious border incidents, defence expenditures have risen, although figures are not made public. New tax measures and continued outside assistance will thus be needed for a number of years if Israel is to meet these commitments and also balance her foreign exchange accounts.

Currency circulation rose by 16 per cent during the past year but living costs increased by only 4 per cent, because of credit restrictions plus the pegging of wages and prices of many essentials. The currency was further stabilized by the application from July 1 of the exchange rate of Is.£1·8 to the US$1 to all commercial transactions, and its external value was strengthened by an increase to 40 per cent in the gold and foreign exchange coverage. Unemployment figures at the end of September were 20 per cent lower than those of a year ago, reflecting greater activity in agriculture, industry, and transportation and communications.

Foreign Exchange Problem Persists

Israel's economic condition still depends largely upon external factors and financial assistance over which she has little direct control. This help comes mainly from international Jewry, German reparations, and U.S. grants-in-aid. Foreign exchange revenues for the fiscal year ending March 1956 are estimated at $368 million (down $30 million from 1954-55) of which exports are expected to bring not more than $90 million. The balance-of-payments difficulties compel strict import controls and licences will not be granted for luxuries and non-essentials. Among anticipated imports worth $345 million during the year which began last April (about the same as the previous year) $50 million is allocated to raw materials for export industries (actual expenditure in 1954-55, $54 million) and $91 million to imports of capital equipment, up from $85 million in 1954-55. In an effort to make the country more self-supporting, long-term development projects are being pushed. In the current government development budget of Is.£192·5 million, 35 per cent has been allocated to the planning and development of agricultural and irrigation projects, reflecting the emphasis on greater production of food and industrial crops, particularly in the Negev wastelands.

Industrial and agricultural output increased in most sectors and irrigation facilities expanded. In the fall, two strikes of oil were made in Israeli territory, and these may cover about 5 per cent of the country's crude

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the Middle East

oil requirements within two years. New industrial enterprises started in 1955 include the production of potassium sulphate and phosphate acid, air conditioning units, photographic film and printing paper, a gypsum plant, a second automobile assembly plant for trucks and buses, and the expansion of production facilities for rubber tires, cement and margarine. The July opening of the Yarkon-Negev water pipeline is one leg of an ambitious scheme which, when a second pipeline is added, will increase Israel's irrigated land by 25 per cent or 50,000 acres, providing for more wheat, feed grains, cotton, peanuts and sugar beets.

Transportation facilities were improved by the addition of 100 miles of new railroad track, station equipment and rolling stock of U.S. and French manufacture, 46,000 tons of new merchant shipping from West Germany, fishing trawlers, and an oil tanker.

Foreign Trade Picture

A slightly adverse trend in Israel's foreign trading account became apparent in recent months because of increased imports and difficulties in boosting exports beyond the record 1954 total. However, imports of wheat, meat, lumber, industrial machinery, and textile materials rose and the import total for the first six months of 1955, at $161·6 million, was up 8 per cent.

Exports increased by only $700 thousand during this period over the previous year's $55 million, largely because of a $3·2 million drop in citrus fruit exports following a smaller crop, and of decreased exports of assembled motor vehicles. Fortunately, this deficit was offset by higher sales abroad of cut diamonds, tires and tubes, cement, plywood, sulphuric acid, raincoats, knitwear, yarns, refrigerators and other industrial products. Israel's best customers remained the United Kingdom, the United States, Turkey, Finland, West Germany, Sweden and Belgium.

Although exports reached a record high, they covered only 34·6 per cent of imports for the first half of 1955 and the figures for the whole year will probably not exceed the 30 per cent of 1954. Government encouragement of the more efficient use of imported industrial machinery and raw materials, simplification of export procedures, increased bank credits to industry at the official interest rate of 9 per cent and greater participation in foreign trade fairs were apparently not enough to raise foreign sales further. Industrial exports are still at a competitive disadvantage unless they are aided by such devices as bilateral commercial agreements, and Israel continues to rely heavily on this form of trading.

The dollar area's share of 30 per cent of Israel's import trade for the first half of 1955 was again down somewhat from the previous year; European suppliers increased their lead and provided almost half of the country's needs. Helping this trend is the continued availability of reparation funds for purchasing in West Germany, sterling earnings from citrus exports, the use of bilateral clearing agreements, and the advantage of shorter freight hauls. Continued U.S. Government assistance to Israel, plus larger contributions and loans from U.S. Jewry, enabled the United States to increase its lead as the main supplier of industrial and agricultural products, machinery and heavy equipment including agricultural machinery, vehicles, tires, secondary iron and steel, refrigerator parts, lumber, hides and leather, oil seeds, feed grains and wheat.

Up to July, most of Israel's wheat requirements were met from U.S. aid. In 1954 Canada supplied 40 per cent of the country's 330-thousand-ton wheat imports, followed by the United States, 25 per cent and Turkey, 20 per cent. The United States also supplied most of the feed grain and fodder which Israel required because of the severe drought last winter.

West Germany and the United Kingdom remained the next largest suppliers of industrial raw materials, machinery and equipment, foodstuffs, agricultural machinery, power plant equipment and other heavy capital goods, and all three main suppliers increased their sales. On the other hand, Canada, Turkey, Belgium, Norway, Austria, South America and Iron Curtain countries supplied less than in 1954. A contract recently signed should result in increased shipments of crude oil from Russia in coming months, to be paid for with Israeli citrus fruit.

Canadian-Israeli Trade

No wheat shipments to this traditional market during the first half of 1955 explains why Canada dropped from fifth in 1954 to tenth place among Israel's suppliers, with sales falling from $3 million to $1·8 million in this period. Other commodities showing smaller sales (in addition to wheat) were: Douglas fir lumber, agricultural machinery and parts, steam engines, motor vehicles and parts, copper wire, and penicillin. On the other hand, Canadian newsprint appeared on the Israeli market after a number of years' absence, mainly because of a tightening of the supply position in Scandinavia, and total Canadian shipments for 1955 are estimated at over 700 tons. Shipments of Canadian flaxseed, canned kosher beef, paperboard, wrapping and tissue papers, aluminum, brass, nickel, asbestos fibres, streptomycin, drugs and chemicals, washing machines, truck tires, and fresh beef also rose.

The value of Israeli exports to Canada climbed to $600 thousand during the first half of 1955. Cut diamond

shipments were down from the previous year, but the difference was more than covered by new sales in Canada of citrus fruit, plywood, certain types of ladies' clothing and undergarments, razor blades, sewing machines, hardware items, marble, jewellery and handicrafts, plus increased sales of established products such as raincoats, chocolates, and wines. This marked the first occasion since prewar years that the Jaffa orange reached Canadian markets.

As long as exports play such a minor part in the Israeli trading picture, the pattern cannot change greatly. In the next few years Israel will continue to use reparation financing for buying in West Germany, sterling receipts from citrus sales for purchases in the United Kingdom, and bilateral exchange clearing agreements for trading with many European countries. U.S. Government and Jewry money will pay for most of her dollar requirements in the United States. Prospects for Canadian business will depend upon continued Canadian Zionist collections, credit facilities offered by Canadian-Jewish organizations and financial institutions, the availability of U.S. aid funds for offshore purchasing, and upon limited free dollar exchange seeking competitive sources for a few essential products like metals, pulp and newsprint.

TURKEY

Good harvest in 1955 has improved export outlook, but large part of proceeds going towards paying off commercial arrears. Trade deficit up for 1955, and country will need foreign credits for some time. Long-term view more promising.

W. R. HICKMAN, *Assistant Commercial Secretary, Athens.*

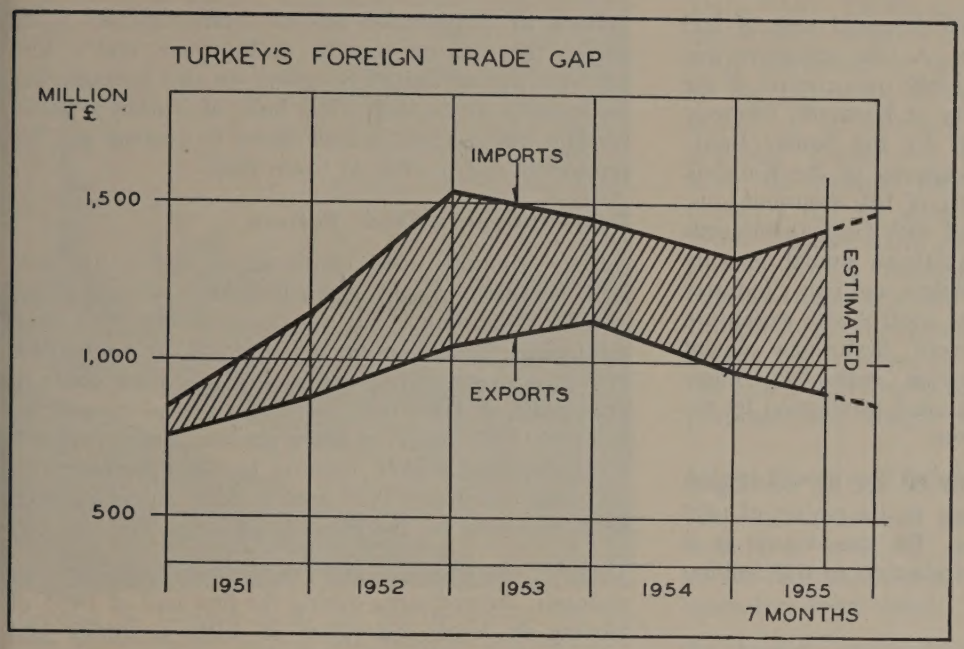
THE CONTINUING HIGH LEVEL of consumer demand and the rate of industrialization in Turkey placed a serious strain on the economy following the poor harvest of 1954. The country managed to get through the summer months of 1955 without a crisis in foreign payments, but the trade deficit has increased and balance of payments difficulties have become more acute. With the abandonment late in 1954 of stabilization efforts introduced earlier, inflation has persisted. Overall external indebtedness has also mounted, although some progress was made towards paying off the arrears in commercial debts and new trade agreements promise further improvement in this direction. Supplies from the 1955 harvest available for export, though well above those of the previous year, are not up to preliminary expectations and will be used largely in bilateral commitments rather than for earning increased foreign exchange. Recently steps have been taken to restrict bank credit, but further measures will be required to bring about a lasting solution of Turkey's difficulties.

Recovering from the serious setback of the previous year, agricultural production made important gains but did not reach the peak levels established for cereals in 1953. Official estimates place the 1955 wheat harvest at seven million tons and other cereals, including pulses, at the same figure. The tobacco yield is expected to equal the 1953 record of 114 thousand tons and cotton and sugar production, stimulated by new irrigation projects and manufacturing capacity, have risen to an estimated 195 thousand and two million tons respectively. Other food and industrial crops are expected to make up about 1½ million tons, largely exportable, including wool, mohair, hazelnuts, raisins, figs and tea.

Agricultural Expansion Continues

Several auctions of cereals have been made against cash payment and further deliveries are specified under clearing agreements, providing in part for the liquidation of Turkish payments arrears. A number of EPU countries are reported to be negotiating to buy Turkish cotton (of which 60,000 tons are estimated to be available for export) as a further means of working off commercial arrears with that country.

The prices paid to farmers by the Government for its grain purchases from the 1955 crop were maintained



The chart shows the rise in imports and drop in exports which has widened Turkey's trade deficit. Exports for the calendar year 1955 are expected to reach T.L.825 million and imports 1,485 million, resulting in an adverse trade balance of T.L.660 million.

at the 1954 level, with the same premiums for wheat, but with higher premiums for barley and oats in order to encourage greater production of these cereals. As a result of liberal price support and credit policies, plus tax relief and technical assistance of various kinds, agricultural production in Turkey has roughly doubled since 1950 and the authorities expect expansion to continue at this rate. Support prices for wheat and cotton are now far above world market prices and the cumulative deficit from subsidy operations, financed largely by Central Bank borrowing, is over T.L.600 million. Farm mechanization has made considerable progress (40,000-50,000 tractors are now estimated to be on farms), but adequate servicing is still a problem and many farm implement stocks remain unsold. It is estimated that only one-quarter of the cotton and cereals and one-eighth of other field crops are today under tractor cultivation.

Mining and Power Developments

Rich in natural resources, Turkey is proceeding with large-scale mining developments financed in part by economic aid from the United States. The chief mineral resources are coal, lignite, chromite, copper, iron ore, salt and manganese. The output of mines in 1955 ran close to the levels of the previous year, with the exception of chrome, which continued to fall off pending the anticipated resumption of purchases by the U.S. Coal and lignite supplies have failed to keep pace with the growing needs of industry and new mines are being developed. Copper mining expansion is planned near Murgul, which is now producing about 25,000 tons of blister copper a year. Iron ore from Nivrik is being supplied to the iron and steel industry, centred at Karabuk, at the rate of about 480 thousand tons a year, with early expansion expected.

Mining and petroleum laws passed in 1954 have made for increased private investment in these fields, and more recently a new mining corporation financed jointly by the U.S. and Turkey has been formed to encourage mineral exploration, production and trade. Power development is moving forward, with the first of several 20,000 kw. thermal generators now in operation and planned extensions to yield 120,000 kw. by the spring of 1956. A large hydro-electric installation under construction in central Anatolia will boost the total installed capacity beyond one million kw. by the end of 1958.

Industrial Expansion Meets Difficulties

The relative prosperity in agriculture and other favourable conditions have induced greater industrial activity. Foreign investors have shown particular interest in Turkey since the investment law of 1954 guaranteed unlimited transfer of profits and capital for investments approved by the Government. In addition to the industrial projects encouraged by the mining and petroleum laws of 1954, new enterprise is apparent in almost all fields of primary and finished manufacture. There has been a tendency, however, for industrial expansion to be uneven, with heavy emphasis on cement, textile and sugar-refining plants. Adding to the problem, foreign exchange shortages present a serious obstacle to further development because they restrict the import of both machinery and raw materials.

Recent industrial developments of major interest include the opening of the Batman oil refinery in July

with a present capacity of 285 thousand tons of fuel oil and petroleum derivatives. A new company was formed about the same time to take over control of the Turkish iron and steel industry at Karabuk, formerly operated for the Government by the Sumer Bank. It is planned to enlarge the capacity of the Karabuk works to twice the present figure of 180 thousand tons, and a contract has been signed with German interests for a new iron and steel mill with an annual capacity of 400 thousand tons. The cellulose and paper industry has also been placed under new control with expansion planned in the pressed board field. Seven new cement factories are under construction with five others planned, giving an estimated annual production by the end of 1957 of two million tons.

Eight new textile mills are to be set up contingent upon the supply of machinery to the value of £3 million on long credit terms. By this means it is hoped to boost cotton yarn production to 653 million metres by the end of 1956.

Trade Deficit Widens

Turkey's trading balance has shown further deterioration through 1955. As the graph illustrates, an upswing in imports plus reduced exports has widened the trade deficit. Exports for the calendar year 1955 are expected to reach T.L.825 million and imports 1,485 million, producing an adverse trade balance of T.L.660 million, up from 440 million a year ago. A gap of roughly T.L.35 million between invisible export and import transactions will bring the deficit on current account almost to 700 million. Bolstered by the improved 1955 harvest, however, substantially increased exports are forecast for 1956, with imports slightly below their present level. This should bring the deficit on current account down to about T.L.250 million for that year.

Further Credit Required

Foreign grants and credits available during 1955 have been estimated at some T.L.670 million, principally in FAO and suppliers' credits, with a further T.L.100 million exchange receipts on capital movements. But taking into account scheduled payments against public foreign indebtedness (estimated at about $650 million, excluding commercial arrears), instalments for imports on credit, and commercial arrears of about $160 million, existing exchange assets and foreign credits will not be sufficient to bring Turkey's international payments accounts into balance. It is estimated that additional credits of about $160 million would be required for this purpose, allowing for the retirement of about $70 million in payments arrears and a like sum against outstanding suppliers' credits. No exact information is yet available on Turkey's external finances at the end of 1955, but payments of $20 million in commercial arrears were reported made during the first six months of the year, and a first payment to the United Kingdom on this account was made early in the fall. The bulk of Turkey's public foreign indebtedness is understood to become due for repayment in from five to seven years.

Debts Influence Trade Pattern

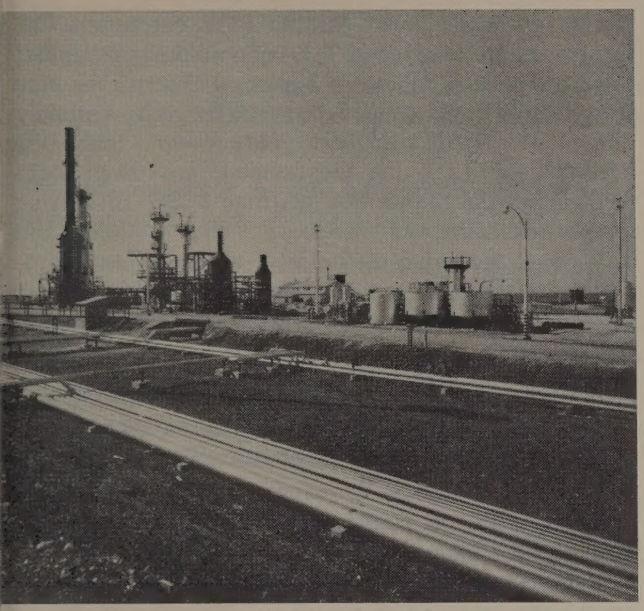
Turkey's import trade continues to slip away from EPU countries, notably from Britain, France, Belgium and West Germany, and purchases during 1955 from the United States and countries within the Soviet bloc increased sharply. Imports from Canada are confined principally to farm machinery and parts—mainly the latter in 1955, following heavy purchases of new equipment the year before. Exports to Canada during the first nine months of 1955 rose to $534 thousand from $375 thousand for the same period of 1954.

Turkey's exports, principally agricultural products and minerals, showed signs during the first half of 1955 of moving in larger quantities to EPU countries and others with which bilateral clearing agreements are now in effect. These include most of the EPU group and outside EPU, East Germany, Poland, Rumania, Bulgaria, Yugoslavia, the U.S.S.R., Brazil and Japan.

In addition to the regular bilateral agreements, Turkey has entered into a series of agreements with EPU countries, which have the specific purpose of establishing a procedure for liquidating commercial arrears from all or a specified part of the proceeds of certain Turkish exports. These debt liquidation arrangements are reported as successful in stimulating exports to the EPU countries, which received $20 million in Turkish arrears during the first half of 1955. On the basis of such liquidation agreements, the Austrian, French, Belgian and German Governments have agreed to facilitate the financing of exports to Turkey through either guarantee or refinancing operations.

Future Looks Promising

Although Turkey has continued in the face of financial and trade difficulties to make impressive progress in agricultural and industrial expansion, the pace of development has placed severe strains on the domestic economy and there is little prospect of early relief. The achievement of development plans will require a continued high level of investment, carefully directed to projects designed to improve the balance of payments position. Early settlement of commercial arrears would be useful in establishing trade relationships with the Western European countries. Encouraging steps are being taken in these directions, but continued foreign aid will be needed in the years immediately ahead, coupled with even more aggressive action by the Turkish Government to stabilize the internal economy and conserve foreign exchange resources. ●



Emphasis in Lebanon during the past prosperous year has been on development projects and setting up new industries. This is the Medisco refinery, second largest in Lebanon, which was opened in February. It has a through-put capacity of 10,000 barrels of crude a day, and produces gasoline, kerosene, diesel oil and fuel oil; will increase its capacity in 1956.

LEBANON

G. F. G. HUGHES, *Commercial Secretary, Beirut.*

General prosperity in country reflected in increased imports, emphasis on development projects, and setting up of new industries. Despite smaller sales of flour, Canadian exports to Lebanon in first half of 1955 more than double figure for first half of 1954.

THIS PAST YEAR in Lebanon has been marked by encouraging progress and general prosperity. Relatively unaffected by the poor cereal harvests which hit the economies of neighbouring countries, several sectors of the Lebanese economy have made steady advance. Though not spectacular, business has been brisk; the summer tourist trade continued excellent, though it did not show up quite as favourably as in 1954. Transit trade and the activity of Beirut port and airport all reflected increases and highway construction received added impetus from grants from the United States Operations Mission. The largest single project ever planned in Lebanon, the development of the Litani River basin for hydro-electric and irrigation purposes, was brought one step nearer reality.

Litani Power and Irrigation Project

Although it has not yet had any effect on business activity or economic conditions, the eventual results of the completion of the Litani scheme make it worth going into some detail.

In August, arrangements were completed with the World Bank for a loan of $27 million to be used to pay for the services of foreign consultants and for imports of necessary equipment and machinery. For the first main stage, scheduled for completion in 1961, local currency to the value of $13 million will be needed, in addition to the loan, to pay for local labour and domestic materials.

The complete project will provide for the installation of 171 thousand kilowatts of hydro-electric power, more than double the present capacity in Lebanon. In addition, it will permit the irrigation of 46,000 acres of land and partial irrigation of 7,100 acres.

The Litani River and its tributaries form the most important source of water and power in the country. The river rises in the rich valley of the Bekaa which lies between the mountains of the Lebanon and the Anti-Lebanon and, after a flow of less than a hundred miles, enters the Mediterranean just north of Tyre, famous in Biblical times. The project calls for a series of dams, tunnels, canals, powerhouses and other works, as follows:

Tunnels—A tunnel of 2·40 metres diameter and 7,600 metres long and a second of 2·40 metres diameter and 9,050 metres long.

Dams—A dam 45 metres high and 1,000 metres long, type to be determined later. Several small dams.

Power Plants—A hydro-electric power plant consisting of two units of 6,000 kw. each, working under a head of 143 to 158 metres. A hydro-electric power plant of 3,900 kw. consisting of three units of 13,000 kw. each, working under a head of 370 metres.

Irrigation Canals—A number of canals to have a total length of 120 kilometres.

Transmission Lines—A total of about 120 kilometres at 69,000 volts.

To carry out the project, the Government in August 1954 set up L'Office Nationale du Litani. Offers were invited from interested consulting engineers and by May 1955 a list of 49 companies was pared down to 15, which included firms or groups from the United States, the United Kingdom, France, Germany, Belgium, Switzerland, Italy, Sweden and Yugoslavia. The contract was awarded to a French consortium which is now known as the Groupe Francaise du Litani. Although no further progress can be reported at this time, it is to be expected that sub-contracts will be awarded for the separate works involved in the project within the next few months.

Import and Exchange Systems

Although the par value of the Lebanese pound is L£2·19148=US$1.00, it is of little significance as far as foreign private trade is concerned. Except for certain phases of the financial arrangements with oil companies operating in Lebanon, all import and export business is transacted at the open market rate. During the past year it has varied only slightly, around L£3·20=US$1.00. The exchange rate hardened from L£3·84 in January 1952 to L£3·19 in January 1954, consistent with the increase in gold and foreign exchange cover for the local currency issue. Gold cover increased from L£109 million in December 1952 to L£219 million in January 1955 and the note issue is now covered 90·5 per cent by gold—certainly one of the world's highest gold covers. Since the beginning of 1954 the Government has taken steps to maintain the rate at not less than L£3·20, buying foreign exchange as necessary. This solidity and stability of the value of the local currency has a profound and favourable effect on the economic climate of the country and tends to encourage foreign capital investment.

Hand in hand with the freedom from exchange control, the control of imports has been liberalized since 1953. None the less, the Government has continued to safeguard local industries, the expedient being to increase customs duties on commodities which were removed from the list of goods subject to prior licence. Commodities which are currently subject to prior licence are listed in the table below.

New Industries and Banks

Among the new industries and financial institutions set up recently are:

1. A cement plant, the second in the country, which started manufacture early in 1955. The plant, installed by German companies, has an annual capacity of 70,000 metric tons.

Commodities Subject to Prior Licence

Wheat

Barley

Maize

Wheat flour

Tehini (Sesame butter)

Hallawa (Sesame sweet)

Preserved apples

Orange and lemon juices

Salt

Methanol (Methyl alcohol)

Clothes washing preparations in powder form, whether or not containing soap

Varnished leather

Morocco ware and case-makers' wares, travelling requisites of leather

Rubber soles and heels for footwear

Carpentry or joinery work for building, with or without ironwork or metal fittings

Wooden furniture and parts

Cardboard (except Bristol board)

Cigarette paper

Silk threads—15/13 and 22/20

Footwear of leather or rubber and parts thereof

Furniture and parts thereof; doors and windows of cast iron, iron, steel, or malleable cast iron

Imitation jewellery of base metal, or of base metal gilt, silvered or coated with precious metal

Children's toys

Industrial machines for the establishment of factories similar to those already existing in Lebanon.

2. The Mediterranean Refinery Company at Sidon, which began operations in February. This refinery, the second in the country, has a capacity of 6,250 barrels per day which will be increased to 9,000 barrels in 1956.

3. A new plant for the refining of raw imported sugar, with a daily capacity of 70 metric tons.

4. Two new local banks which started operations. Later in the year, the National City Bank of New York and the Chase Manhattan Bank both opened branches in Beirut. These are the first two United States banks ever to have actual operating branches in the country.

5. Some 3,022 automobiles were registered in the first quarter of 1955, compared with 1,795 vehicles in the first half of 1954.

6. A world famous shoe manufacturing company which enlarged its plant to manufacture rubber boots; some of the machinery was imported from Canada.

7. A paint plant set up by a well-known United States manufacturer in conjunction with local interests.

Foreign Trade Figures Increase

Reflecting the trend of previous years, the year 1954 showed a rise in total imports to L£381 million from L£314 million in 1953, calculated at the official rate of exchange. Exports reached L£92 million in 1954, compared with L£88 million in 1953.

The following tables give trade figures of Lebanon's more important trading partners:

PRINCIPAL SUPPLIERS OF LEBANESE IMPORTS

	1953	*1954*
	L£ × 1,000	
Syria	91,713	108,621
United States	42,552	48,449
France	31,001	35,485
Britain	25,139	29,871
Germany	13,424	23,930
Iraq	15,100	17,025
Italy	11,038	16,666
Belgium	7,559	9,743
Jordan	5,182	9,971
Netherlands	8,853	6,414
Saudi Arabia	4,767	6,245
Switzerland	4,740	5,237

PRINCIPAL BUYERS OF LEBANESE EXPORTS

	1953	*1954*
	L£ × 1 million	
Syria	13·7	14·9
Saudi Arabia	10·9	9·9
Egypt	6·0	8·8
United States	4·6	6·3
Jordan	6·1	5·3
Belgium	1·9	4·8
Iraq	4·5	4·5
France	9·8	4·4
United Kingdom	4·3	4·2

The unspectacular but notable increase in imports from Syria, the United States, the United Kingdom and France reflects the general well-being and greater activity of business. Although it made a marked gain, the United Kingdom was still below the record figure of L£30·4 million attained in 1952. As in other Middle Eastern countries, West Germany has made rapid progress and Italy's exports have also advanced markedly, mainly because of larger shipments of automobiles.

Canada's Exports Rise

Whether Canada's annual exports to Lebanon have been in the millions or thousands of dollars has depended upon how good the wheat crop was in the countries surrounding the Lebanon and on how well the lower grades of Canadian wheat and flour have competed on a landed basis.

In 1952, Canadian wheat and flour shipped to Lebanon accounted for $7·81 million of total exports to that country of $9·35 million. In 1953 wheat and flour shipments dropped to $4·44 million and total exports reached $5·16 million. The 1954 figures showed a marked slump to $983 thousand of which flour accounted for $203 thousand. No wheat was shipped from Canada that year because the market was supplied mainly from Syria and Australia. Flour shipments have again dropped in the first six months of 1955 compared with the similar period in 1954.

The largest single buyer of flour is the United Nations Relief and Works Agency which, with its headquarters in Beirut, buys flour for about 900 thousand Palestine refugees. Since early 1953, low-grade flour suitable to the Lebanese market has been obtained more cheaply in the United States and France.

Despite the losses in flour business for the first six months of 1955, total exports to Lebanon for the period rose from $344 thousand to $752 thousand. Among the principal commodities contributing to the increase are aluminum ingot, synthetic fibre yarns, Douglas fir lumber, fire brick, tires, agricultural machinery, and automobile parts.

Selling in Lebanon

The Lebanese market is one of the most difficult in the world in which to sell. The successful introduction of a product requires close study, hard work, and possibly some price paring, particularly in the early stages. But the benefits of the careful approach have been proved many times. A product successfully marketed in Beirut advertises itself to a considerable degree to all the neighbouring Arab countries and generally sparks a demand which makes its introduction in the surrounding area considerably easier. ●

JORDAN

G. F. G. HUGHES, *Commercial Secretary, Beirut.*

Five-year development plan proceeding slowly because of periodic crop failures, Palestine refugee problem, and dependence on foreign aid. Trade possibilities limited, but some discrimination against dollar goods recently removed.

ALTHOUGH JORDAN has a total land area nearly 30 per cent greater than New Brunswick, its cultivated area is barely over one-third of New Brunswick's total farm land. The population including refugees is nearly three times as large, so it is not surprising that individual purchasing power is low.

The country enjoys no oil income and since it came into being as a political entity, it has been aided by direct grants from the United Kingdom in order to maintain its army (the famous Arab Legion), assist with development projects, and keep its external payments in balance.

In recent years, the influx of over 450 thousand refugees has increased the population by over 50 per cent and has become a drain on the country. The United Nations Relief and Works Agency, set up in 1948 and charged with responsibility for the care of the refugees, contributes goods and foreign exchange not only for the daily needs of the refugees but for various development projects as well. Since 1952 the United States Operations Mission, popularly known as Point IV, has instituted aid schemes and provides money, needed materials and technical assistance.

Five Year Plan for Development

In 1952 a Development Board was set up to supervise expenditure of British loans and, if possible, to co-ordinate all development activities. Although projects under active consideration are limited to those that can be financed from present sources, the list of those now being undertaken or which will be started within the next year is rather impressive. For the five years of the plan, considering actual expenditures in 1953-54 and estimates for the succeeding years until 1958, the allocations are as follows:

	J.D.
Agriculture Range management and pasture improvement, grain storage, agricultural schools, livestock and plant improvement	4,052,220
Irrigation Yarmuk-Jordan scheme; Wadi developments; several minor irrigation works	20,600,848
Afforestation	773,111
Famine Relief: Expenditure in 1953-54	500,000
Credit Operations Village and city improvements and co-operative societies; agricultural and development banks	5,738,744
Road Construction To provide all-weather hard-surfaced roads connecting the Syrian border to Nablus, Amman, Jerusalem, and southward to the port of Aqaba	13,383,843
Railways For improvements to existing line as far as Ma'an; rolling stock and diesel locomotives for Jordan-Hedjaz railroad	2,880,000
Aqaba Intermediate Port Transit shed, cranes, buoys, etc.	202,916
Aqaba Deep Water Port General cargo import berth; minerals export berth	800,000
Airports Improvements to airports at Amman and Jerusalem	883,720
Survey and Land Settlement Ground and aerial surveys	297,000
Education and Training Establishment and extension of primary, secondary, trade, normal and vocational schools	11,099,118
Health and Sanitation Hospitals, health centres, nursing schools, laboratories	2,598,838
Telecommunications Extension of telephone systems; V.H.F. installation	1,466,096
Industrial Phosphate and manganese exploitation; olive oil refinery; fisheries at Aqaba; Ruseifa Central Electric Potash Company; tent factory; petroleum refinery (Dutch group is preparing engineering study)	2,561,500
Project Investigation and Consultants' Fees For mineral exploitations, electric power studies, sugar refinery and textile weaving studies, Aqaba deep-water port, Amman airport	427,519
Secretariat and Administration	284,468
Employment	57,200
Research Soils and materials testing laboratory	69,000

The Five-Year Plan calls for a total expenditure of JD68·7 million, scheduled as follows:

	J.D.
1953-54 (actual)	7·54 million
1954-55	10·54 "
1955-56	21·38 "
1956-57	14·64 "
1957-58	14·59 "

The poor grain harvest this year has not had quite as depressing an effect on the economy as it would have had a few years ago. The reason is that a number of construction projects are being undertaken and efforts made to expand phosphate production as fast as possible.

Mining and Industrial Development

Phosphate production is centered at Raseifa near Amman where a very high-grade ore is mined by the Jordan Phosphate Company, (partly government, partly private). There are other lower-grade deposits which will be exploited at an increasing rate as soon as improvements to the port of Aqaba are completed.

From the Raseifa deposits shipments have been as follows:

1954	76,000 tons
1955 (estimated)	160,000 tons
1956 (estimated)	230,000 to 250,000 tons

A good part of the production is now shipped by road to Beirut for export; the rest goes to Aqaba. Japan leads as a customer and is now negotiating for 150 thousand tons for next year.

Transportation Problems

One of the greatest handicaps to the development of the country is the lack of adequate transport facilities. A railway runs from the Syrian border to Amman but southwards only a little beyond Ma'an. This means expensive and slow transport to Aqaba. Although plans are being considered to improve and extend the railhead to the port, a parallel road will probably be tackled first. This road from Aqaba to Amman will link with other hard-surfaced roads, already built or soon to be constructed, which connect westward with Jerusalem and north to Jerash and the Syrian border.

Although British and some Continental shipping lines have been calling at Aqaba for some time, this past April marked the inauguration of the port as a regular stop of the United States Isthmian Steamship Lines. A sailing from New York about once a month is provided.

Cargo movement through Aqaba has grown steadily during the past years, despite the handicap of inadequate cargo-handling equipment and bad roads. Total tonnages in and out are as follows:

1952	51,000	tons	and	3,200	pilgrims	(to	Mecca)
1953	72,000	"	"	4,500	"	"	
1954	93,000	"	"	7,100	"	"	
1955 (10 months)	161,000	"	"	10,200	"	"	

Among the projects which are soon to be started or considered are the Dead Sea potash project, a superphosphate plant, and a petroleum refinery to furnish motor spirit and other products for the local market. For the refinery an annual consumption of 250 thousand tons of crude oil is being discussed.

Foreign Trade

Though no official statistics are available for 1954 or 1955, it is understood that the general pattern of trade of the previous years was maintained. Despite the increase in phosphate exports which took place in 1954 and 1955, no improvement in the balance of trade can be expected as long as the need for capital goods for development projects persists. The United Kingdom continues as first supplier, followed by Syria and the United States. Exports from the United States to Jordan in 1954 amounted to $3·5 million compared with $3·27 million 1953. Classifications of principal importance include dairy products; tobacco and manufactures; cotton and wool manufactures, (mainly secondhand clothing); automobiles, trucks and parts; various machinery including office, mining, excavating and agricultural.

Canada continues to play an insignificant role as a supplier to Jordan, although there are signs that more interest is being taken. Canadian exports climbed from $37,982 in 1953 to $122,558 in 1954.

Import Regulations Altered

Early this year, (see *Foreign Trade* of June 11th), the import regulations were modified and some of the discrimination against dollar goods eliminated. Dollar imports at the official rate of exchange are still strictly controlled but the former "fines" system—which imposed heavier penalties for non-essential goods from dollar sources than from soft currency sources—was discontinued. In its place, Jordanian importers are allowed to convert to other currencies earnings of Arab country currencies in the open markets which exist in other centres (principally Beirut) and use the proceeds for import of their choice. To compensate for this freedom and to limit the import of luxury-type goods, import tariffs were raised on a wide variety of articles, including canned goods, household appliances, and passenger cars.

As a market for Canadian goods, Jordan cannot be regarded as easy or as having great potential. But companies who have been successful in introducing their products in Lebanon, Syria and Iraq should investigate to see whether their sales cannot be extended to Jordan as well.

Tour of Territory

A. A. CARON, Consul and Trade Commissioner in New Orleans, plans a tour of North Carolina, South Carolina, Georgia and Florida from January 15 to 26 to investigate market conditions for Canadian seed potatoes, livestock and lumber.

This Iraqi is harvesting dates, one of his country's traditional exports. Over-production of dates has been a major problem in recent years; currently, 70,000 tons remain unsold from last year's crop. Canada bought $532,493 worth of dates from Iraq in the first six months of 1955.

IRAQ

G. F. G. HUGHES, *Commercial Secretary, Beirut.*

Rising oil revenues are financing development projects, with flood control receiving first attention. Poor wheat crop has resulted in wheat purchases from Canada; Canadian sales to this market in first half of '55 up over first half of '54, with broader range of commodities featured.

ALTHOUGH NORTHERN IRAQ suffered one of the worst grain harvests for many years, construction and engineering projects under the sponsorship of the Development Board continued apace and to a large extent minimized the effects of the poor wheat crop. With its large and steadily mounting oil revenues and its two great rivers, the Tigris and Euphrates, which assure a regular supply of water for irrigation schemes, Iraq is more fortunately placed than any other country in the Middle East.

During the year, work progressed favourably on roads, bridges, dams, irrigation schemes and various industrial projects. New contracts were let for numerous engineering projects, some ranking among the largest in the world.

The Development Board created in 1950 was subsequently granted 70 per cent of the country's oil revenues, and since then has increased widely its activities and scope. Oil revenues which mounted from ID50 million in 1953 to ID57 million in 1954 may reach nearly ID70 million this year. Because of the long-term nature of many of the projects, expenditure has not kept pace with income and government foreign exchange reserves have been growing quickly. Disbursements will of course increase rapidly as the larger projects approach completion.

Flood Control Has Priority

The primary objective of the Development Board has been to stop the annual flooding of the Tigris and Euphrates, and particularly to prevent the recurrence of the dangerous conditions which existed in 1953. In that year, a third of the country was inundated and the city of Baghdad came very close to being wiped out. At the height of the flooding the city, protected by a bund, lay 13 feet below the water level.

The first great project incorporates a large dam and system of control gates to feed the flood water into Wadi Tharthar, a vast depression north of Baghdad and some 5,000 square miles in area. The inlet canal is 42 miles long and at some points is 360 feet wide. This project, which will spell the end of serious flooding, will be completed in time to handle the spring freshet in 1957.

In addition to the Wadi Tharthar scheme, other dams under construction include the Dokan Dam on the Lesser Zab, a tributary of the Tigris, and the barrage at Ramadi on the Euphrates which provides for the diversion of flood waters into Lake Habbaniyah and the Abu Dibbis depression. Recently awarded to a group of two American and German engineering concerns is the contract for the Derbeni-Khan dam on the Diyalla River which enters the Tigris below Baghdad. At a price of ID11,474,000 the contract calls for the construction of a rock-fill dam, reputed

to be the third largest in the world. The dam will measure 130 metres high by 325 metres long.

Other Projects Sponsored

Among the industrial projects sponsored by the Development Board, the Dora refinery on the outskirts of Baghdad is of special interest. Built in less than two years under the supervision of American consultants, the refinery has a production capacity of 24,000 barrels a day of gasoline, kerosene, gas oil, diesel oil and fuel oil.

The original plan for development embraced the years 1951 to 1956 and called for the expenditure of ID155 million over the period. Because of changing costs and the need for readjustment of the plan in view of a number of developments since the first one was formulated, a second revised program calling for the expenditure of a total of ID304 million for the period 1955-59 was approved in April of this year. The following approximate allocations, with the corresponding amounts for the previous period, will illustrate the magnitude of the program:

DEVELOPMENT BOARD PROGRAMS, 1951-56 and 1955-59

	1951-56	*1955-59*
	(in thousands of Iraqi dinars)	
Administration expenses	3,180	3,250
Irrigation, drainage, flood control	53,374	111,185
Roads and bridges	26,766	58,700
Railways	.....	15,500
Airports	2,228	5,000
Public buildings	16,368	44,675
Housing	1,650	8,750
Industries, mining, electric power	31,050	43,571
Agriculture, forestry, land settlement	11,600	6,475
Other projects and expenditures	9,158	7,200
Total	ID155,374	304,306

Some important road and engineering contracts awarded in the past months include:

Amara-Basra road, ID850,000 contract awarded to a U.S. firm for this 100-mile section of the Baghdad-Basra highway.

Bridge at Amara, ID801,000 contract to a German firm.

Baghdad medical centre—to be built at a cost of ID3·5 million. Firm of New York architects awarded design contract.

Steam power plants—40,000 kw. in Baghdad and 30,000 kw. in Dibbis near Kirkuk. A Belgian company awarded consulting engineering contract.

Sugar factory at Mosul—Annual handling capacity for 10,000 tons of beet and 25,000 tons of cane. Cost estimated at ID1·5 million.

Contract for housing estate—In suburbs of Baghdad, valued at ID1·25 million, awarded to Iraqi group.

Lubricating oil refinery—Contract for ID3·5 million. Work already started by an Anglo-American-Canadian contractor.

Diesel-electric power plants—For the two cement plants under construction at Mosul and Sarchinar; will be supplied by an English company. Value of the contract was ID606,000.

Agricultural Conditions Vary

As in Jordan and Syria, Iraqi agriculture suffered because of sparse winter and spring rains. In the north, which is rain-fed and not irrigated, most of the country's wheat is normally grown and this year the yield was very low. Though barley production, principally in the central and southern regions, is reputed to have been reasonably maintained, the rice paddies in the south did not give their normal crop. Water levels in the rivers were so low that irrigation was severely curtailed and production is estimated to be about 30 per cent below normal. Consequently, rice will probably be imported from Iran.

To overcome the deficit in wheat and to prevent local prices from rising, the Government imported about 30,000 tons of Australian wheat and 20,000 tons of Turkish seed wheat. At the same time, import licences were freely granted to private importers. Imports under this heading included 10,000 tons of Canadian wheat.

Date production, centered mainly around Basrah, continues to be one of the country's principal agricultural problems. A decade ago and more, growers were encouraged to plant heavily and in the last few years, date production has been greatly in excess of sales. This year 70,000 tons of dates, mainly low quality, remain unsold from last year's crops. Strenuous efforts are being made to develop new uses for dates, particularly the low-quality types, but without much success. Hopes are now centred on the use of low-quality dates in a mixture with ground barley and other grains for animal feeding.

This year the crop of Hallawi dates partially failed but other high-grade dates are reputed to be plentiful and of good quality. The United States market may be affected because of its preference for the Hallawi type, but the Canadian market, with its preference for the Sayir date, should receive its requirements without difficulty.

Foreign Trade

Iraqi imports for the first half of 1955, at ID44 million, were nearly 30 per cent higher than the corresponding figure for 1954. For the same period in 1955 exports (aside from petroleum) amounted to ID11 million, an encouraging increase over the figure for 1954 of ID7 million. Most of the gain resulted from larger barley shipments.

66005—3½

Because of the need for wheat and rice imports, coupled with increasing requirements for capital and consumer goods, the balance of trade, disregarding oil, will probably be more adverse for the next year. However, increasing oil revenues will more than make up for the loss of agricultural exports.

In 1954 the principal supplying countries to Iraq were as follows:

Country	*Value in millions of I.D.*	*Percentage of total imports*
United Kingdom	22·4	30·9
United States	10·3	14·2
Germany	6·0	8·3
Japan	5·9	8·2
Ceylon	5·3	7·3
Belgium	2·4	3·3
India	2·3	3·2

Principal commodities imported into Iraq in 1954, with chief supplying countries indicated inside brackets, include:

	Thousands of I.D.
Boilers and machinery (United Kingdom, United States, Germany)	10,064
Iron and steel (United Kingdom, Germany, Belgium)	8,192
Tea (Ceylon)	5,175
Automobiles (United States, United Kingdom, Germany)	6,241
Sugar (United Kingdom, Taiwan)	5,345
Artificial silk piece goods (Japan, Italy, United Kingdom)	4,781
Cotton piece goods (Japan, India, United States, United Kingdom)	3,731
Electrical products (United Kingdom, Germany, Holland)	3,580
Chemicals and pharmaceuticals (United Kingdom, United States, Germany)	2,073
Clothing, mainly secondhand (United States, United Kingdom)	1,553
Lumber (Australia, Sweden, Finland, Canada ID70,000)	1,485
Rubber goods (United Kingdom, United States)	1,291
Paper (Sweden, Norway, United Kingdom, Australia)	1,233
Woollen piece goods (United Kingdom, Italy)	1,103

Canada's Trade with Iraq

Canadian exports during the first six months of 1955, at $346,009, have shown an encouraging increase over the corresponding figure for 1954 of $271,429. Commodities featured are slightly more diverse because of the efforts of some exporters to introduce their products. But on the whole, the surface of the market has barely been scratched. If they are to get a reasonable share of this fast growing market, Canadian exporters ought to devote more time and study to the problems of shipping to Iraq and should seriously consider including Baghdad on their next travel itinerary.

The availability of dollar exchange has not been a real problem to Canadian exporters for well over a year; dollar allocations are easily obtained for all goods having a measure of essentiality. Price on a landed basis is now the main consideration. ●

Some Points o

There Are Differences . . .

THE COUNTRIES included in the territory of the Beirut office—Lebanon, Syria, Jordan, Iraq, Kuwait, Bahrain and the Sheikhdoms of the Trucial Coast—differ in many respects in their forms of government and basic economies, and in the type of import and exchange controls which affect their foreign trade. Here is a brief description of conditions in each part of the territory.

● LEBANON—Starting from the Mediterranean coast and working eastward we come first to Lebanon, a small, mountainous country whose agricultural production is insufficient to feed its people. However, Lebanon's standard of living is the highest of any country in the area, largely as a result of the freedom which its active and competent commercial community enjoys, and the services it provides in banking and insurance and as an entrepôt and transit centre. Its attractions for tourists and the fact that it is the head-

But There Are Similarities . . .

ALTHOUGH THE COUNTRIES in this territory are basically different, they do have certain features in common which Canadians interested in selling there should bear in mind. Here are a few general rules for exporters.

1. Give as complete information about your products as possible.

2. Illustrated brochures or catalogues are essential if you wish to sell manufactured goods.

3. Be sure to send samples to prospective buyers or agents whenever you can.

4. Give net and gross shipping weights or volumes as they apply. Freight allowances for extras or spares should be shown separately.

5. Quote in United States dollars. Canadian dollars are not quoted nor available in any of the money markets in the territory.

6. Give quotations f.o.b. Canadian port, and c.i.f. Although it may be necessary or advantageous to ship

rading in the Beirut Territory

quarters for many air transport companies and businesses trading in the Middle East add greatly to its invisible exports.

• SYRIA—This country has a fairly self-contained economy which is largely agricultural, but its industries are growing. Determined efforts are being made to develop the port of Latakia and internal communications so that both imports and exports can be handled entirely within Syria's boundaries, and the need to use the Lebanese port of Beirut lessened.

• JORDAN—Inland and to the south, Jordan has an economy which is not viable. Although the port of Aqaba (on the Gulf of Aqaba which leads to the Red Sea) is being developed, a large part of Jordan's imports must enter by way of Beirut. Import restrictions here are much more severe than those of any other country in the territory of the Beirut office.

• IRAQ—This oil-rich country makes good use of its earnings; its Development Board guides the spending of income from the oil industry. Many projects are being undertaken to protect the country from the danger of floods and to permit a much greater use of arable land through drainage and irrigation. Licences for dollar goods with any degree of essentiality are granted liberally.

• KUWAIT and BAHRAIN—Oil has also made Kuwait rich and its import policy puts little restriction on most goods. Bahrain derives a large income from its oil industry but is not quite as liberal with dollar exchange. However, there is considerable freedom of trade and there are no serious obstacles to dollar goods entering the country. The same general comments apply to Muscat and Oman and the other Sheikhdoms of the Trucial Coast.

via other ports for countries other than Lebanon, give c.i.f. Beirut quotations because these give importers a good indication of total costs.

7. Quote your lowest possible prices. This is one of the most price-conscious markets in the world.

8. Pay special attention to packing. Most destinations in the region require transhipment by rail or road. Cargo treatment is such that packing cases cannot be too strong to withstand the heavy handling they will receive.

9. Do not lose sight of the need for advertising. For most, if not all, successfully sold consumer goods local agents receive direct assistance from their principals. The media may vary with the product but whether newspapers, posters, brochures, theatre slides or gift tokens are used, advertising is as important in these countries as it is in Canada.

10. Be prepared to devote time and energy to the task and possibly to make sacrifices until the product is successfully introduced.

11. Attend to correspondence promptly and see that all questions are answered fully.

12. Although good results can often be accomplished by correspondence, there is no substitute for personal visits. A visit to the territory by an executive authorized to make decisions on behalf of his company always results in a better appreciation of the problems involved, and can go far to develop the friendly trust which ought to exist between principal and agent. The similarities in these markets permit, to a certain degree, a common approach, but the differences make it advisable to appoint a separate agent in each. There are some firms, many of them with headquarters in Beirut, which have branches or associated companies in Syria, Jordan and Iraq. Some in Bahrain operate in Kuwait and the Trucial Coast, as well as on the east coast of Saudi Arabia. Unless a Canadian exporter is successful in obtaining the services of such a firm, it is essential for him to have an agent in each country.

—G. F. G. HUGHES

EGYPT

M. R. M. DALE, *Commercial Secretary, Cairo.*

Projects to improve and expand agricultural production and provide power for industry are taking first place in Egyptian planning. Trade deficit forces import restriction, but certain Canadian products finding Egyptian buyers.

IN SIZE, Egypt about equals Ontario but its entire population of about 20 million lives on seven million acres of farm lands which stretch for a thousand miles along the Nile River and its delta. Most of them earn their living from agriculture, and agricultural products bring in over 92 per cent of the country's foreign exchange. It is natural, therefore, that the most important part of Egypt's development program should concern the improvement and expansion of agricultural production. The Agrarian Reform Organization and the Egyptian-American Rural Improvement Service have a number of development schemes already in operation. All these projects call for increased mechanization—a fact to which Canadian exporters should pay particular attention.

Financing Development

Apart from the immediate improvement in the production of cotton, rice, wheat and other crops, the National Development Council is studying a number of long-term projects. The most important is the High Dam on the Nile which would make two million acres available for cultivation, almost a third of the present acreage, and also provide for output of four million kw. of hydro-electric power. The cost of the project is estimated at £E210 million for the first ten-year period, including the conversion of 700 thousand acres of basin irrigation to perennial irrigation, and the reclamation of 400 thousand acres, plus building the hydro-electric power station and a transmission line to Cairo. An additional £E112 million would be spent on further reclamation work during the second ten-year period.

Preliminary survey work started in October and it is expected that construction will begin in 1957. The British firm of Sir Alexander Gibb and Partners has been retained as consultant engineers. Although the project may add £E250 million to Egypt's national income, its financing presents grave problems. To enable the country to purchase the necessary machinery and to pay for contractors, a considerable amount of foreign currency must be provided. This means that outside loans, perhaps from the World Bank, will be needed. The Government appears determined to reach agreement on outside aid to finance it before July 1956, so that work on the project can be started by July 1957.

Industrial Expansion Continues

Most established industries have shown expansion in the past year but in many instances further success will depend on an extension of export markets. The textile industry has increased its production of cotton yarn and cloth. Canada has stepped up its purchases of Egyptian yarn slightly and at the same time is supplying a larger proportion of wood pulp for the country's expanding rayon industry. Recently there has been some interest in importing Canadian staple fibre.

The building industry is one of the most active, particularly because of the government housing and public works program; domestic production of cement and subsidiary products has gone up but sanitary ware and electrical fittings are practically all imported. Of particular interest to Canada is the demand for wood and timber for conversion; in 1954 imports amounted to 260 thousand tons, plus 14,000 tons of plywood.

There is an important pharmaceutical and chemical industry and a large demand for fine chemicals for reprocessing as proprietaries, and for agricultural insecticides, designed to protect growing crops of cotton, rice and grains. Domestic insecticides, liquid and powder, are both produced locally and imported. Most industrial chemicals are imported. Government-controlled factories to turn out munitions, small arms, general engineering equipment, etc., have expanded. An aluminum rolling mill has been established, for which Canada has supplied the first ingot.

A number of industrial developments are still needed to ensure a stable economy. The Government encourages investment of foreign capital and know-how by new legislation which facilitates the transfer of profits and the repatriation of capital. Relief from customs duties on new equipment and raw materials is provided.

Naturally, these development plans and industrial expansion have had financial consequences. The public debt increased during the year ended August 1955 by £E53 million and now stands at £E213·6 million. This increase largely resulted from the issuance of long-

—Egyptian Administration of Information

Irrigation and power projects have top priority in Egypt's development plans, and this indicates a market for machinery which Canadian exporters should note. Our picture shows modern digging tractors at work on the Tahreer canal.

term bonds for financing development projects and implementing agrarian reforms.

The budget for the year ending June 1956 is estimated to balance at the record figure of £E315 million—made up of the ordinary budget £E238 million, the development project £E54 million, and the public services budget £E23 million. The increase in the ordinary budget of £E10 million over last year was accounted for by increased appropriations for education totalling £E33·4 million (up 5 million), £E55 million for defence (up 1·4 million) and £E13 million for public works (up 1·1 million).

Foreign Trade Policy

Egypt's foreign trade policy is designed to increase the sale abroad of her chief products, cotton and rice, and to limit imports to essential commodities not produced at home. The policy also aims at balancing trade on a bilateral basis and it has been officially stated that Egypt will not buy from countries which do not buy from her. Even international tenders contain this preference clause. Egypt has entered into trade and payments agreements with some 26 countries. However, many of these have proved unsatisfactory when sales of Egyptian products failed to keep pace with imports of consumer goods and the balance had to be met in sterling or other scarce currencies.

The agreements with the Iron Curtain countries, however, have been successful because, for the present at least, all these countries buy more from Egypt than they sell. This year new agreements (which include an obligation to purchase Egyptian products) have been concluded with China, Czechoslovakia, Yugoslavia, East Germany, and Poland. Egypt is thus buying increasing amounts of capital and consumer goods from these countries—such as iron from China, locomotives and bridges from Hungary, oil from Russia and kerosene from Rumania—all in exchange for cotton and rice.

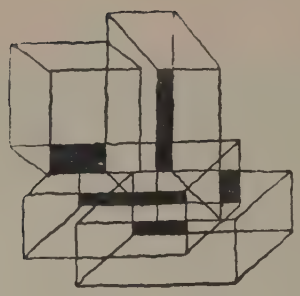
The Egyptian authorities favour a free import and exchange policy and in January 1955, licences for almost all commodities were freely issued. However, the balance of payments position deteriorated with the fall in world demand for cotton. The development program was imposing unprecedented demands on the economy and required large imports of capital goods from abroad. The "entitlement account system", whereby exports were subsidized at the expense of imported articles, was abolished following the opening of the Cotton Futures market, and the Government took steps to restrict imports. No formal list of prohibited goods has been published as the Government wishes to maintain some measure of elasticity. However, permission to import is only granted on proof of necessity when payment is required in sterling, dollars, French francs, or Deutsche marks. The authorities must be satisfied that similar commodities are not available from "easier" currency areas nor from countries willing to accept cotton or rice in exchange.

Egypt's Trading Position

As of the end of October, Egypt had a deficit on trading account for 1955 of almost £E40 million. Exports, down over the same period last year by £E5 million, totalled about £E105 million; imports, at £E143 million, were up by £E15 million. However, restrictions on imports and larger sales of cotton during the latter months of the year, plus increased income from the Suez Canal and tourists, will improve the overall balance. Nevertheless, Egypt will enter 1956 with larger requirements, particularly for capital goods, and therefore a selective import policy will probably be continued.

Canada's Trade with Egypt Broadens

Canada's trade with Egypt has continued to broaden in scope if not in size. Total exports to Egypt from Canada for 1954 exceeded $1,200,000 in value and for the first nine months of 1955 reached almost $1 million. Farm machinery, fertilizer, wood pulp, asbestos, staple fibre, drugs and chemicals, were among the more promising exports. Some interest is being shown in a number of Canadian manufactured and semi-manufactured products and, although licences are not readily available, exporters would be well advised to take an interest in this market. Attention should also be paid to international tenders, particularly for agricultural and capital equipment, which are published from time to time.●



commodity notes

Australia

STEEL—Australia will face a shortage of about 100 thousand tons of steel products in 1956, it is stated in the latest survey of manufacturing activity in the country. The shortage will be in such products as reinforcing steel, structural steel sections, merchant sections and wire products. The total supply of steel in 1956 for steel mill products is expected to be approximately 2·1 million tons, of which the local industry would supply 1·8 million and imports 300 thousand tons. The demand is expected to surpass the 2·2 million ton mark. The survey states that, with reduced import quotas and no prospects of large increases in local production, the outlook is poor for these items in 1956—Sydney, Dec. 7.

CANNED FOODS—A £A4 million food processing factory, capable of absorbing 130 tons of primary produce a day, has been opened at Dandenong, an outer suburb of Melbourne. Built by the H. J. Heinz Co. Pty Ltd., the factory has 9½ acres of floor area. By 1970, it is said, it will be producing enough processed food to supply all of Australia's needs, and any surplus will be exported. Present output is about 200 thousand tins of food a day—Melbourne, Dec. 9.

Brazil

STEEL—A Brazilian firm has begun construction of a steel mill in Belo Horizonte, with a loan of 24 million cruzeiros from the National Economic Development Bank. Initial capacity of the mill will be 50 tons of pig iron and 45 tons of steel a day—Rio de Janeiro, Dec. 14.

CEMENT—Brazil's production of white cement reached 5,000 tons during the first half of 1955, compared with 8,000 tons in the first half of 1954—Rio de Janeiro, Dec. 14.

PIG IRON—According to government statistics, Brazil produced 522,911 tons of pig iron in the first half of 1955, an increase of 19,581 tons over the same period in 1954—Rio de Janeiro, Dec. 14.

Chile

SULPHUR—The Chilean Foreign Trade Council has authorized export to the United Kingdom of 10,000 tons of sulphur valued at approximately US$30,000—Santiago, Dec. 12.

Cuba

PAINT—A new paint factory was opened recently in Havana. Value of the Cuban market for paint is about $10 million a year, largely imported until recently. Growing domestic production has reduced imports by about 20 per cent. The new plant has an annual capacity of 750 thousand gallons—Havana, Dec. 14.

Federation of Rhodesia and Nyasaland

COTTON-RAYON YARNS—Recent experiments conducted by the Cotton Industries Board of Rhodesia have shown that better opening results are obtained when natural fibre is mixed with the synthetic. Therefore, a bulk supply of viscose rayon has been ordered from British manufacturers for blending with the cotton fibres produced in Southern Rhodesia to meet the requirements of the local textile trade. Experiments using one-third synthetic fibre to two-thirds natural cotton fibre have so far been satisfactory—Salisbury, Dec. 9.

India

MANUFACTURED GOODS—The Indian manufacturers of engineering goods have made great strides in recent years and now have an appreciable surplus for export in many lines—including bicycles and parts, incandescent lamps, stoves, steel furniture, sewing machines, hurricane lanterns, duplicators, oil crushing machines, electric fans, electric motors, radio receivers, storage batteries, dry batteries, plastic electrical accessories, diesel engines, power-driven pumps and numerous other products. India's annual exports of engineering goods are valued at about Rs.40 million, and the industry is expected to expand considerably during the period of the second Five-Year Plan—New Delhi, Dec. 6.

ABRASIVES—A factory to make bonded and coated abrasives, which opened recently, will produce initially 230 tons of bonded abrasives and 23,000

reams of coated abrasives a year. Eventually, production will be stepped up to 600 tons and 70,000 reams, respectively—New Delhi, Dec. 6.

Jamaica

POTATOES—Planting of imported seed for the next potato crop has begun; the crop will be about 25 per cent larger than the last one. The Jamaican Government subsidizes the seed used by local growers and has recently ordered 1,200 crates of seed from Canada and 3,000 from the United Kingdom. Last year 12,000 crates of seed were imported—Kingston, Dec. 16.

TISSUE PAPER—A Jamaican manufacturer of corrugated containers and paper bags plans to produce toilet and tissue paper; machinery is being installed and production is expected to start early in 1956. The company is geared to produce the entire amount of toilet and tissue paper consumed in Jamaica, but whether they do so will depend upon their ability to compete with imported supplies. According to official Jamaican trade statistics, about 200 short tons of toilet paper are imported a year, principally from the United Kingdom, with Canada in second place—Kingston, Dec. 16.

Norway

CANNED FISH—Norwegian exports of canned fish are not expected to reach the same level as last year. The first six months of this year showed a considerable decline because of smaller brisling and sprat catches. Another contributing factor is the fact that Australia—Norway's largest customer for smoked sprats—has re-introduced import restrictions. Preliminary statistics show that exports of canned fish products during the first six months of the year totalled only 13,900 metric tons valued at N.kr.62·5 million, compared with 17,500 metric tons valued at N.kr.78·3 million for the same period of last year—Oslo, Dec. 13.

South Africa

DIAMONDS—The Central Selling Organization for the diamond industry is benefiting from the strong international demand for both gem stones and industrials. Sales in the first nine months of 1955, at £56·1 million, (£38·5 million in gem stones, £17·6 million industrial) have exceeded the previous highest sales peak set in 1952 by £2·4 million. There is every prospect that total 1955 sales will better the 1952 record of £69·7 million.

The declared value of diamond exports from the Union (including South West Africa) during the first nine months of 1955 totalled £19·4 million, compared with £15·7 million in the same period of 1954—Johannesburg, Dec. 9.

FIBERGLAS BOATS—A Cape Town firm is producing fiberglas boats. The first models have attracted interest because of their light weight and resistance to corrosion. Plans are being made to extend the firm's activities to such products as fish factory flumes, large bore tubing, and even miners' helmets—Cape Town, Dec. 7.

PINEAPPLES—Pineapple culture in the eastern Cape Province and in the coastal regions of Natal is proving a bonanza to the grower and has resulted in a speculative up-turn in value of all potential growing lands. Concern is expressed at the mounting capital cost of production. Production in 1953 totalled 70,000 tons, the highest among Commonwealth countries, and in 1954 the yield increased to 80,000. There is every prospect that output in 1955 will exceed 100 thousand, even on the basis of present plantings, as new developments begin to bear—Johannesburg, Dec. 9.

Spain

AIRCRAFT—Spain has no full-scale aircraft industry yet; the several factories confine their operations mainly to construction of experimental matter. However, the first jet aircraft to be produced in Spain, to Messerschmidt plans, was recently tested officially at the military airport of San Pablo, Seville. It is a low-wing training aircraft with a speed of about 450 m.p.h. A new Spanish helicopter, built from French plans, also made its appearance recently, and various small private planes and gliders are being built to the order of the numerous air clubs throughout the country—Madrid, Dec. 14.

Sweden

WOOD PULP—For deliveries to the United Kingdom during the first quarter of 1956, Swedish exporters have raised the prices of bleached and unbleached sulphite and bleached sulphate by approximately £1.10s. and of kraft pulp by up to £2 per ton—Stockholm, Dec. 15.

NEWSPRINT—The Swedish Association of Newspaper Publishers and the Swedish Newsprint Association have agreed on an increase, applicable in Sweden, of 28 kronor per metric ton in the price of newsprint in 1956. This increase will come into force on January 1st for the following 12 months. The cost of newsprint for the Swedish press next year is thereby increased by 4·5 million kronor. The increase implies that newsprint on the Swedish domestic market next year will be 645 kronor per ton, which is about 100 kronor less than the world market price. The reason for the increase is the expected rise in the cost of production at the paper mills next year, which will probably exceed the

4·8 per cent increase in the price. Swedish consumption of newsprint is at present estimated at 160 thousand tons—twice the prewar figure—Stockholm, Dec. 15.

United Kingdom

TIRES—A well-known rubber company has announced plans to build a new £3 million tire factory on the outskirts of Glasgow. A 58-acre site has been acquired which will provide space for the factory to be increased to four times its initial size. It is hoped to start production towards the end of 1956—London, Dec. 19.

TANKERS—A United Kingdom petroleum producing firm has ordered 23 oil tankers, totalling 836 thousand tons deadweight, from shipyards in the United Kingdom and on the Continent. This completes the 1955 tanker building programs of the major British oil companies. Orders for 106 vessels have been placed within the last two months. Of these, British shipyards are to build 71, valued at £125 million, and European yards are to build 35 with a value of about £60 million. There has been a sharp trend towards larger vessels; some of those recently ordered are of over 40,000 tons deadweight capacity—London, Dec. 19.

United States

FURNITURE—A recent bulletin from Grand Rapids indicates that the furniture industry is reaching new highs as a result of strong consumer demand for goods and services. The bulletin, prepared by a firm of certified public accountants, shows that wood household furniture orders booked in the first ten months of 1955 were 21 per cent greater than in the same period of 1954—Detroit, Dec. 21.

RUBBER PRODUCTS—The rubber products industry, which is heavily concentrated in Ohio, is having its best year. Tire production is expected to pass the 100 million mark for the first time, and new rubber consumption may reach a record total of 1,440,000 long tons—7 per cent above the previous high in 1953. Synthetic rubber output in 1955, at over 900 thousand long tons, is also expected to set a record. Sales of rubber manufactures will probably exceed the 1953 record of $5,097 million. Indications are that there will be a marked increase in productivity throughout the industry—Detroit, Dec. 21.

MACHINE TOOLS—Increased production of consumer goods in the months ahead is foreshadowed by rising orders for and deliveries of machine tools. Using the 1945-47 average as a base, the index of new orders in October reached 349·7, compared with 207·3 in September and 148·9 one year ago. Shipments are also on the increase at $60 million in October 1955, compared with about $58 million in the month before and $56·5 million in 1954. Activity in the machine tool industry is one of the key economic indicators of the probable future trend of business—New York, Dec. 20.

HIGHWAY JOINT—A new type of joint for concrete roadways has been developed in Ohio. Described as permanent and leakproof, the expansion-contraction joint combines a specially developed rubber strip with rust-resistant metal holders and is said to eliminate all maintenance costs. The cost of the joint is greater than that of conventional asphalt sealers but the inventor contends that gravel sub-base can be reduced, thus effecting substantial economies. The first experimental strip has been installed on a highway in Ohio—Detroit, Dec. 21.

Uruguay

POTATOES—The Uruguayan Government's Food Control Board has authorized imports of a further 5,000 tons of table potatoes from France and the Netherlands. This makes a total of 30,500 tons of table potato imports authorized, of which 22,800 tons have come from France, 6,200 from the Netherlands and 1,500 tons from Argentina. Annual consumption is roughly 108 thousand tons (9,000 tons a month), of which some 77,000 tons are grown locally.

Seed potatoes are imported from Germany and Denmark in small quantities, but the bulk comes from Canada. This year, 201 thousand bags of 100 lb. were bought from growers in New Brunswick for sowing in December-January 1956—Montevideo, Dec. 14.

WOOL—Wool shipments from October 1, 1954, (beginning of season) up to September 30, 1955, totalled 129 thousand bales. Chief buyers were: United States, 18,000 bales; Holland, 44,000 bales; United Kingdom, 15,000 bales; Japan, 8,000 bales; West Germany, 7,000 bales; Italy, 6,000 bales; Canada, 286 bales; others, 32,000 bales. Production for the 1954-55 season was 174 thousand bales (each bale is 460 kilos). However, there will be a carry-over of 45,000 bales to the new season. Shipments for the same period last year totalled 157 thousand bales—Montevideo, Dec. 14.

West Germany

TELEPHONES—After months of negotiating a contract, Germany is supplying 180 thousand telephone installations to Iran at a total value of DM100 million. This is the largest Iranian order placed since the end of the war. The contract means employment for thousands of German specialists for several years—Bonn, Dec. 16.

Venezuela Buys Canadian Eggs

A. G. KNIEWASSER,
Assistant Commercial Secretary, Caracas.

About 10,000 cases of shell eggs a week are imported into Venezuela; no licences are needed, customs duties have been waived, payment is in dollars. But Canadian exporters must meet stiff competition from Danish, Polish, and U.S. suppliers.

VENEZUELA is Canada's most important export market for shell eggs for human consumption. Shipments during 1954 totalled 3,150,710 dozen worth $1,396,199, and for the first eight months of 1955, 1,500,920 dozen worth $605,768. Canadian exporters are, however, being priced out of the market. United States, Danish and Polish exporters have all increased their share of the Venezuelan egg business this year and will no doubt continue to improve their position as long as Canadian prices remain high.

The Venezuelan Market

There are no reliable figures on Venezuelan egg production. Efforts are being made to increase domestic egg output but conditions are difficult and the country is growing so quickly that local poultry farmers are hard put to keep up with the additional demands each year because of population increase and higher incomes. As a result, imports of about 10,000 cases per week are required. Almost 80 per cent of these move into central Venezuela, with Caracas serving as the main distribution centre.

Imports of shell eggs for human consumption require no licence. The customs duty is Bs.2.00 per gross kilogram but this is waived upon presentation of a certificate from the country of origin stating that at least 65 per cent of each 30-dozen case is Grade A quality during the period June 1 to October 31, and 80 per cent from November 1 to May 31.

The following table outlines principal sources of supply for six months and twelve months 1954, and for six months 1955.

VENEZUELAN SHELL EGG IMPORTS

(cases of 30 dozen)

	1954				1955	
	12 months		6 months		6 months	
	Cases	%	Cases	%	Cases	%
United States	369,500	68	151,500	50	161,800	54
Canada	106,200	20	76,800	26	51,500	17
Denmark	69,300	12	68,600	24	79,000	27
Poland	1,500		1,500		6,500	2
	546,500		298,400		298,800	

(Table prepared from Ministry of Development figures.)
Conversions to cases made on basis of 25 kilos=1 case.

The bulk of Venezuela's imports from Canada and the United States are shipped from New York on a scheduled passenger line which offers a direct weekly service to La Guaira. The market is very sensitive to these weekly arrivals because Caracas importers carry only small stocks, local refrigerated storage costs being high. Some direct shipments are made from Canada and Europe in season but the market is nevertheless still largely determined by New York prices. Orders are confirmed by cable or telephone a few days before shipment and payment is generally by sight draft, payable one week after receipt of the merchandise. There have been cases where importers have

—Venezuelan Ministry of Agriculture and Livestock

Venezuelan poultry farmers are trying to increase their output but demand keeps ahead of them because of the population growth and higher incomes. Canada finds her largest market for eggs here, but faces stiff competition from Danish, Polish and United States suppliers, whose prices are lower.

purchased on a letter of credit basis but only when quotations were well below prevailing market prices. Some importers who have long established connections work on an open account basis. Competition is always very keen.

Canadian Eggs Fetch Premium Prices

Canadian eggs have a reputation for high quality and browns particularly sell at premium prices. The main demand is for medium, although there are also sales of pullets in season; importers are somewhat reluctant to purchase large sizes because the experience has been that breakage is higher. Consumer preference is for a brown-coloured egg because domestically produced eggs are generally brown and housewives have come to associate this colour with freshness.

Over the past few years, Canadian eggs have generally been competitive during the first quarter of each year and then later on, towards early autumn. Here is a table which summarizes monthly imports during 1954-55 by principal supplying countries:

$U.S. Prices: c.i.f. La Guaira per case of 30 dozen

Pullets	White		11.50		
	Mixed		11.50		
	Brown		12.90		
Mediums	White		12.60		
	Mixed		12.60		
	Brown		13.65		
Large	White	13.80		15.00	
	Mixed	13.80	Storage	15.00	Fresh
	Brown	15.30		16.50	

Increased Competition Foreseen

Although the future trend of egg prices on the New York Produce Exchange will determine market possibilities here for Canadian exporters to an important extent, increased European competition is also expected to be a factor during the first half of 1956. The trade expects greater offerings from Denmark and Poland and it is believed that Dutch exporters too will make a determined effort to break into the market for the first time. In addition, these European suppliers will benefit from improved shipping arrangements which will enable them to make deliveries every two weeks rather than monthly as in the past. Freight rates from New York were recently increased 20 cents to $2.50 per crate. It is not yet known whether rates from Europe will be increased proportionately. Any development should be followed closely because Danish competition has been an important factor in curtailing Canadian shipments in March or April each year.

MONTHLY EGG IMPORTS—VENEZUELA

(000 kilograms)

	Total		*United States*		*Canada*		*Denmark*		*Poland*	
	1954	*1955*	*1954*	*1955*	*1954*	*1955*	*1954*	*1955*	*1954*	*1955*
January	1,081	1,107	197	1,011	784	96	100	.....	.....	.....
February	976	1,111	174	512	588	599	214	.....	.....	.....
March	891	1,675	430	352	137	438	324	885	.....	.....
April	1,460	1,337	792	626	182	141	486	550	.....	20
May	849	1,264	553	642	72	12	224	466	.....	142
June	1,034	977	642	900	71	.....	298	77	23	.....
July	1,156	.....	1,000	.....	86	.....	70	.....	.....	.....
August	1,018	.....	790	.....	212	.....	16	.....	.....	.....
September	1,310	.....	1,058	.....	252	.....	.....	.....	.....	.....
October	1,122	.....	1,039	.....	83	.....	.....	.....	.....	.....
November	1,118	.....	1,095	.....	23	.....	.....	.....	.....	.....
December	1,631	.....	1,465	.....	166	.....	.....	.....	.....	.....

(Table: Ministry of Development Monthly Statistics.)
(1 case=25 kilos approx.)

Exact figures are not yet available but it is clear that imports from Canada have fallen off sharply during the second half of this year. The main reason is higher prices, but important too is the greatly improved quality which United States and European countries have offered this season. As a result, the premium for Canadian eggs which in the past has run as high as $1.00 per case has been reduced by more than half. Canadian exporters must now be more competitive to be in the market.

A recent development has been heavy shipments from Miami exporters who can benefit from lower non-conference freight rates. At the time of writing (November 10), Canadian prices are far out of line and the entire market has been captured by New York and Miami exporters whose current prices, c.i.f. La Guaira, are:

Reliable Agents Necessary

Exports constitute a small proportion of total Canadian egg sales but the accessibility of a wide-open dollar market like Venezuela is important to Canadian dealers and producers in times of falling prices. Exporters should remember, however, that they cannot suddenly develop sales here when they find themselves competitive. Trading conditions are difficult and almost all sales are made on credit terms. The risk involved can only be minimized if exporters are

represented by reliable Venezuelan agents. Such agents are careful to sell only to importers who have a good payment record. They assist with collections and make a practice of keeping their principals up-to-date on changing market prices so that business opportunities can be exploited at once. The chances are that if an exporter is not represented, he may miss all or at least a part of any business that may be available by the time he can make suitable trading arrangements. If he sells direct, he may get into trouble.

Despite the fact that Canadian eggs are not competitive at the moment in the Venezuelan market, the Canadian Foreign Trade Service in Caracas has received inquiries from a number of reliable local agents who are anxious to establish trading connections against the day when Canadian eggs are once again in demand. Most of these agents, however, are interested only in representing exporters who are able to organize export shipments on short notice and who can undertake a credit risk.

Ireland: *the farm picture changes*

E. FINEGAN, *Office of the Commercial Counsellor, Dublin.*

Agricultural production is slowly rising, as emphasis shifts from cereal growing to pastureland and livestock raising. Meat trade is expanding, with Canada one of Ireland's customers.

AGRICULTURE constitutes the basis of Ireland's economy, with the climate favouring grass production and thus livestock raising. Output, however, has remained almost static since the beginning of the century for a number of reasons. Among them are two world wars, economic difficulties with Great Britain in the 1930's, undue emphasis on wheat growing rather than livestock production at certain periods, a fertilizer deficiency as one result, and lack of mechanization. It is only in recent years that production has shown signs of increasing because the Government has recognized the importance of agriculture to the country. In 1950 gross agricultural output, excluding turf, (base 1938-39=100) was 101·3. It rose to 107·1 by 1953 and to 113·5 in 1954. But compared with other countries in Western Europe with fewer natural resources, it has still a long way to go.

The average agricultural holding in Ireland is small; out of a total number of 379,317 on June 1, 1953, only 7,163 were over 200 acres; 21,979 were between 100 and 200 acres; 52,036 between 50 and 100 acres; 62,654 between 30 and 50 acres, and 84,859 between 15 and 30 acres. The remainder were under 15 acres. Some 420,786 males were engaged in agriculture on that date.

Crop Emphasis Changing

During the 1930's the aim of the Government was self-sufficiency in crop production. It paid guaranteed prices for wheat, with the result that acreage under wheat rose sharply from 21,000 in 1931 to 255 thousand in the late 30's. The outbreak of war in 1939 made it necessary to continue this policy and acreage rose to over 660 thousand by 1945. It then dropped steadily to 254 thousand acres in 1952 but increased in 1953 and again in 1954, when the figure was 486,368. Guaranteed prices continue to be paid, though the fixed price for both the 1955 and 1956 crops was 12/6 per bushel less than in 1954. This has resulted in an estimated decline in area sown in 1955 of 129 thousand acres.

The area under oats has dropped steadily from 945,236 acres in 1944 to 533,148 acres in 1954 though in 1955 there was a 2·9 per cent increase. Approximately 210,200 acres were under barley and 5,000 acres under rye, peas and beans in 1955. Of a total acreage of 592,100 under root and green crops in 1955, potatoes accounted for 287,700 and sugar beet 55,100.

Notwithstanding the downtrend in the acreage under certain crops since the war, it must be borne in mind that the yield per acre is moving up, thanks to greater

use of fertilizers in recent years. Estimated annual average yield per acre of wheat has risen from 17·6 cwt. in 1951 to 23·2 in 1953, oats from 18·6 to 19·9 cwt., and sugar beet from 9·6 to 12·6 tons. Yields in 1954 were disappointing because of the abnormally wet summer.

Livestock Production

Ireland is admirably suited to this form of farming because the chief raw material, grass, grows in abundance and Irish farmers are paying more attention to the cultivation of grass as a crop. Out of a total acreage of 11·6 million under crop and pasture in 1954, 7·95 million consisted of pastureland.

Cattle herds consist mainly of dual purpose Shorthorns. These are bred in the creamery areas and the surplus is sent to the dry-stock farms in the midlands, from which they are exported (largely to Great Britain) either on the hoof or in the form of beef. The decontrol of the meat trade in Great Britain in 1954 gave a boost to this export trade.

Cattle numbered 4·5 million on June 1, 1955, of which nearly 1·28 million were milch cows and heifers in calf, and over one million, cattle under one year. The sheep, pig and poultry population totalled 3·2 million, 804,800 and 15·9 million respectively. Compared with 1954, sheep increased by 3·6 per cent, cattle declined by 1·1 per cent, pigs by 16 per cent, and poultry by 0·9 per cent.

Intensive cultivation during the 1930's and the Second World War and the British duties during the economic troubles which favoured the export of store rather than fat cattle seriously impaired soil fertility. During this period fertilizers were either too expensive or unobtainable. A ground limestone transport subsidy scheme is now in operation and the use of ground limestone has risen from 75,000 tons in 1950-51 to 650 thousand tons in 1953-54. Artificial fertilizers are also being used more widely.

Until 1939 the degree of mechanization in Irish agriculture was small and in that year only 2,067 tractors were in use. By 1953 this figure had risen to 21,900 but it is still very low compared to the number of farm holdings.

Trade in Agricultural Products

Agricultural produce accounted for almost 60 per cent of total exports from the Republic in 1954. Cattle alone reached a value of £33·9 million (of which £25·86 million were stores), an increase of £8·7 million since 1953. About £24·6 million of this represented sales to Great Britain. Decontrol of the meat trade in Great Britain resulted in this expanding trade. Live cattle exports increased in the first half of 1955, but dead meat exports dropped sharply.

Other agricultural exports in 1954 included horses (£3·12 million), pork (£3·68 million), dead poultry (£2·83 million), butter (£1·23 million), eggs in shell (£1·36 million), raw wool (£3·07 million), and undressed cattle hides (£0·63 million).

Agricultural exports to Canada consisted of the following:

	Quantity	*Value*
Horses	6	£ 13,067
Beef and veal (frozen)	4,936 cwt.	£ 56,346
Pork	11,821 "	£199,644
Old fowl, dead	1,574 "	£ 15,332

Imports of materials for agriculture represented 5 per cent of all imports in 1954 as against 4 per cent in 1953 and imports of agricultural machinery and appliances totalled £2·5 million. The Irish bought 5,377 agricultural tractors, of which 4,639 (£1,957,388) came from Great Britain, and 607 (£270,354) from West Germany. Agricultural machinery to the value of $31,988 was purchased from Canada in 1954—$23,550 represented drills and sowers and $2,121 ploughs and parts, n.o.p.

Total imports of fertilizers reached £4·4 million in 1954 and came largely from the Netherlands, which supplied sulphate of ammonia, superphosphates and compound manures to a total value of £1·15 million. Some £1·04 million worth of muriate of potash was imported, most of it from West Germany.

Canadians Invited to Industrial Conference

Invitations are available for 30 Canadians to attend the Study Conference on the Human Problems of Industrial Communities in the British Commonwealth and Empire, initiated and sponsored by the Duke of Edinburgh. The conference, to be held in Oxford from July 9 to 27, 1956, is planned to provide an opportunity for men and women (280 in all) from the managerial, technical and labour-operative roles of industry to study U.K. industry and to discuss their common problems. Government departments, universities, financial institutions and service undertakings will not be represented.

Applications should be submitted to the Canadian selection committee, of which Rt. Hon. C. D. Howe is chairman, through a responsible organization, such as an industrial firm, trade union, national association or crown company. Closing date for applications is January 15. Organizations wishing to nominate candidates should write to A. W. A. Lane, Secretary of the Canadian Committee, Room A-157, No. 1 Temporary Building, Ottawa.

Australia

OVERSEAS TRADE—The Bureau of Census and Statistics has released figures showing Australia's total imports for October at approximately £68·5 million compared with £65 million in October 1954, Total exports were down to £68·2 million from £74·1 million a year earlier. The adverse trade balance for the month was approximately £300 thousand. Excess of imports over exports for the first four months dropped £6·4 million to £39·7 million. These figures relate only to overseas trade and do not measure Australia's total balance of payments—Sydney, Dec. 10.

Brazil

POWDERED MILK FACTORY—Plans submitted by the Ministry of Agriculture for construction of a powdered milk factory at Pelotas, State of Rio Grande do Sul, have been approved by the President of Brazil. Construction costs of the factory are budgeted at Cr.$9,541,020—São Paulo, Dec. 16.

POWER IMPROVED—Recent rainfalls have eased the critical situation in Brazil's power supply and rationing ended on November 15th—Rio de Janeiro, Dec. 14.

Ceylon

TEA CORPORATION FORMED—Leading Ceylonese tea producers have made plans to form a national corporation, primarily to export tea but eventually to handle other Ceylon produce and to enter the import trade. The corporation is backed by large producer and financial interests in Ceylon. The producers taking part in the formation of the corporation account for about 25 per cent of the country's total annual production of over 350 million lb. of tea—Colombia, Dec. 15.

France

PURCHASING POWER INDEX RISING—Information recently released by the French Statistical Bureau indicates rapid increases in consumer spending, arising from the small but steady wage increases over the past year. The year 1954 showed an increase of 7 to 8 per cent in retail sales and preliminary information for 1955 indicates a similar rise. Furthermore, a shift in expenditure is evident with an increase of 25 per cent on purchases of household equipment and cars, compared with only 3 to 8 per cent for foods and other necessities. First half automobile sales were up 30 per cent. Certain types of household appliances show a substantial increase: 8 per cent for washing machines, 9 per cent for refrigerators, and 70 per cent for television sets. Instalment buying is expanding but still represents only three thousand francs per capita (compared with 80 thousand francs in the United States); it is limited to the large industrial centers—Paris, Dec. 15.

India

ELECTRICITY BOARDS ESTABLISHED—By the end of March 1956, all government electricity undertakings, including distribution systems, will be taken over and managed on a commercial basis by State Electricity Boards. Under Central Government legislation, each state is now establishing a State Electricity Board to which all the powers and functions of electricity departments will be transferred and which will be able to take over private electricity enterprises, if necessary. So far Madras, Andhra, Uttar Pradesh, Pepsu and Punjab have not formed such boards. In the case of Punjab, the State Government is undecided about the management of the Bhakra-Nangal hydro-electric development which is not yet complete. Eventually, the management of this also will be transferred to the State Electricity Board—New Delhi, Dec. 14.

Indonesia

NEW MINT OPENED—A new paper mint known as Kebajoran Baru, N.V., and financed by the Government of Indonesia and a Netherlands firm has been officially opened. This firm will print the major portion of Indonesia's paper money and, in addition, can produce postage stamps, bonds and other documents—Djakarta, Dec. 9.

South Africa

MARKET COMPETITION—The countries of Africa south of the Sahara absorb over 21 per cent of South Africa's total exports and are in the aggregate its

second best customers. The Union is now encountering strong competition in the area from Britain, West Germany, Japan and India. In the Federation of Rhodesia and Nyasaland (its largest single market) the Union has lost its absolute tariff advantage through non-renewal of the reciprocal tariff agreement in 1954. The South African Government is considering the appointment of additional Trade Commissioners in an effort to hold and increase its export trade with these countries—Johannesburg, Dec. 15.

BANK ADVANCES—Customer advances by commercial banks increased by £31·7 million during the first nine months of 1955 and stood at a September 30 high of £271·5 million. Although bank deposits continued to rise, the emphasis was on time rather than on demand savings. Demand deposits increased by £1 million in September but time deposits increased by £6·9 million to a new and record total of £443·3 million. The remarkable rise in time deposits, which have almost doubled in twelve months, coupled with increasingly dear money and the widely reported shortage of capital for investment, is causing concern. Apparently more investors are withdrawing funds from normal operations and applying them to the gilt-edged security of fixed deposit with banks and building societies. One financial commentator has described the trend as reflecting a shortage of confidence rather than of cash—Johannesburg, Dec. 15.

GOLD AND FOREIGN EXCHANGE—The Union's reserves of gold and foreign exchange continue to run at levels lower than in 1954 as anticipated by the Minister of Finance in his budget speech. Reserves totalled £115·1 million at November 30th compared with £133·2 million last year. However, a substantial improvement is expected before the beginning of 1956—Cape Town, Dec. 16.

Spain

TOURIST TRAFFIC—During 1954 the number of foreign tourists visiting Spain increased by 700 thousand over the previous year, bringing the total to nearly two million, and it is anticipated that the 1955 figures will be even higher. Of the total number of visitors to Spain during 1954, France was first with 620 thousand, followed by Italy, 227 thousand; the United Kingdom, 203 thousand, and the United States, 203 thousand—Madrid, Dec. 17.

Sweden

CONSUMERS PRICE INDEX—The Consumers Price Index (1949=100) for September has been calculated by the Social Welfare Board at 134, an increase of one point from August. Since January 1, 1955, the consumers price index has risen five points or almost 4 per cent. The index figures for the various principal groups of goods and services show an increase of two points for foodstuffs between August and September and an increase of one point for housing, fuel and light. The index figures for the remaining groups are unchanged—Stockholm, Dec. 16.

United Kingdom

EXPORTS AND IMPORTS—Preliminary figures for November show that United Kingdom exports were worth £272·2 million, lower than the peak level of £280·6 million in October, but above the ten-month average of £248·8 million. Imports in November totalled £342·2 million, an increase of £8·8 million over October.

Exports to North America in November, at £28 million, dropped £5 million from the figure in October; shipments to Canada were valued at £12·5 million. In the first eleven months of this year United Kingdom sales to North America were up 15 per cent over 1954; those to the United States advanced 22½ per cent but sales to Canada increased by only 6½ per cent—London, Dec. 21.

United States

HOUSING COSTS—A recent survey shows that building costs have risen since the war at a faster rate than the rise in prices generally. The building costs of standard-type houses tripled since 1939 and have risen more than 20 per cent since 1949. Compared with early 1950, building material prices show the following gains: fir lumber 38 per cent, plumbing equipment 25 per cent, metal sash 29 per cent, cement 23 per cent, paint 17 per cent and window glass 33 per cent—an average rise of some 27 per cent while the average increase for all prices over that period was only about 12 per cent. Wages have also been going up—New York, Dec. 20.

HOME OWNERSHIP—The proportion of U.S. families owning their own homes has increased from 34·6 per cent in 1900 to approximately 57 per cent today, according to the United States Saving and Loan League. Numerically, the number of families occupying their own homes has increased from 3·5 million in 1900 to 25 million today. In contrast, the proportion of families renting living quarters has declined from 65·4 per cent in 1900 to 43 per cent at the end of 1954.

The greatest increase in home ownership has occurred in the last 15 years; the proportion of families owning their own homes rose from 41·1 per cent in 1940 to 57 per cent today. The savings and loan experts predict that the proportion of families occupying their own homes in 1970 should approach 75 per cent—Chicago, Dec. 21.

trade and tariff regulations

Australia

TARIFF BOARD INQUIRIES—The Australian Tariff Board announced recently that it has been asked by the Minister for Trade and Customs to inquire into what rates of duty should be imposed on two products:

(*a*) webbing tape of the type used in the manufacture of slide fasteners;

(*b*) automotive type voltage regulators.

The rates of duty applicable to these products may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Canadian firms who are exporting either of the above products to Australia and who wish to have their views on these tariff questions placed before the Tariff Board should request their Australian agents to act on their behalf. Action should be taken as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

Ceylon

DOLLAR IMPORT LICENSING—The Government of Ceylon has provided Canada with an official summary of the import licensing situation for Canadian products. The following are the details:

(*a*) These products may be imported into Ceylon from Canada *under world open general licence: i.e., without restriction:*

Paper
Milk foods
Spare parts and accessories for motor vehicles
Motor lorries, motor vans and motor omnibuses
Tires and tubes for motor vehicles
Machinery
Fish, tinned
Patent medicines; drugs and chemicals, excluding sulphur

(*b*) *Import licences are issued freely* for these products:

Cereal foods
Glucose
Animal oils, fats and greases
Cotton, raw
Cotton waste
Linseed oil
Iron and steel manufactures
Brass and copper manufactures
Cutlery, including razor blades
Cotton yarn and twist
Oils, fats, resins, viz., shoe, furniture and car polishes

(*c*) These products are *licensed up to a monetary ceiling:*

Fresh fruits
Fruits, dried and preserved
Vegetables, preserved or tinned
Tobacco, unmanufactured
Glassware
Clocks and watches
Photographic goods
Wireless goods
Domestic refrigerators
Textiles and apparel
Stationery
Manufactures of paper and cardboard
Motor cars, including station wagons
Firearms
Brooms and brushes
Imitation jewellery
Musical instruments
Cosmetics, powder and toilet requisites

(*d*) All other Canadian products are *subject to individual licensing* in Ceylon.

Further details may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Greece

SUSPENSION OF CUSTOMS DUTIES ON SEEDS AND FERTILIZERS CONTINUED—A series of temporary duty exemptions and reductions in the Greek tariff have just been announced. Chemical fertilizers and certain pesticides including copper sulphate are exempted from customs duties until the end of 1956. The same temporary exemption applies to seed imported by the State or the Agricultural Bank of Greece, including seed potatoes which are of special interest to Canada. The duty exemption on both fertilizers and seeds is virtually an extension of annual exemptions granted during several previous years for state procurement. In the case of fertilizers

this is now extended also to imports by the private trade which are expected to be resumed during 1956. The duties on certain seed oils and on fat for industrial uses have also been suspended.

In addition, the duty on cod roe has been temporarily reduced by one half, and the duty on motor truck chassis with cab only but without body has been reduced on a definite basis.

This decree is primarily an aid to farmers in keeping down their costs of production and also represents an effort to hold down the cost of living which has again shown a tendency to rise in recent months. However, the decree also provides for an increase in the duty on electrical heaters and ranges—Athens, Dec. 15.

Philippines

TRADE AGREEMENT WITH U.S. OF INTEREST TO CANADIANS—On September 6, 1955, the United States and the Philippines signed an agreement, (effective January 1, 1956) which revises the 1946 trade agreement between the two countries. This new agreement is of interest to Canadian exporters because it provides for the lessening and eventual elimination of any tariff preference for United States goods entering the Philippines.

Beginning January 1, 1956, United States goods entering the Philippines become dutiable at 25 per cent of the rate which applies against imports from Canada and all other countries. Three years later, on January 1, 1959, the percentage will be raised to 50; on January 1, 1962, to 75 per cent, and on January 1, 1965, to 90 per cent. The percentage will remain constant at 90 until January 1, 1974, when the rate becomes 100 per cent and the tariff preference in favour of United States goods is thus eliminated.

For example, electric stoves classified under Philippine tariff paragraph 190(b) are now dutiable at 25 per cent ad valorem when imported from any country other than the United States. After January 1, 1956, imports of these stoves from the United States become dutiable at 25 per cent of 25 per cent ad valorem, i.e., 6¼ per cent ad valorem. This rate will increase to 12½ per cent in 1959, 18¾ per cent in 1962, 22½ per cent in 1956 and 25 per cent in 1974, assuming, of course, that there is no change in the basic rate of duty under paragraph 190(b).

The other features of the trade agreement are of concern only to United States interests, with the exception of the article which deals with the eventual elimination of the 17 per cent tax on imports. Beginning January 1, 1956, the Philippines will impose a temporary special import tax to replace the present 17 per cent tax on the sale of foreign exchange. The new tax is to apply only on merchandise imports, whereas the current exchange tax is also applicable to invisibles, such as remittances of earnings. The import tax is to be set at a rate no higher than 17 per cent and is to be reduced by 10 per cent of the initial rate each year beginning January 1, 1957, until it is completely eliminated on January 1, 1966. However, there is provision for retaining the tax if revenues from duties on U.S. goods under the new agreement, plus revenues from the new tax, fall below what was collected in 1955 by the tax on the sale of foreign exchange.

Trade Commissioners on Tour

A. B. BRODIE, Canadian Trade Commissioner, formerly in Leopoldville, Belgian Congo, begins his Canadian tour in Montreal, January 9-16. His itinerary is:

Granby—Jan. 17
Toronto—Jan. 18-28
Hamilton—Jan. 30
St. Catharines: Welland: Fergus—Jan. 31-Feb. 1.

J. C. DEPOCAS, Canadian Trade Commissioner in Guatemala City, Guatemala, begins his Canadian tour in Vancouver, January 30-February 10, 1956. His itinerary is:

Calgary—Feb. 13
Winnipeg—Feb. 15-16
Toronto—Feb. 20-March 2
Windsor—March 5-6
London—March 7
Kitchener—March 8
Brantford—March 9
Hamilton—March 12-13
Kingston—March 14
Halifax—March 19-20
Saint John—March 21-22
Montreal—March 26-April 13

Businessmen in the various centres may get in touch with these officers through the Board of Trade in Brantford, Halifax, Montreal and Saint John; the Chamber of Commerce in Calgary, Fergus, Hamilton, Kingston, Kitchener, London, St. Catharines, Welland and Windsor; the Canadian Manufacturers Association in Toronto and Winnipeg, and the Department of Trade and Commerce in Vancouver (355 Burrard Street).

Tour of Territory

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, plans to visit Medan in Sumatra for about two weeks late in January or early in February. Businessmen who would like Mr. Wallace to undertake assignments for them should get in touch with him as soon as possible.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada Commercial Secretary	City Mutual Life Building 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. J. Van Tighem, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25. Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	H. W Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada. 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	D. M. Holton, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842

Territory	Officer	City Address	Mail and Cables, Office Telephone
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
Japan Korea	J. L. Mutter, Commercial Counsellor W. G. Pybus, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Avenida de Praia da Vitoria, 48—1°D, LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor G. H. Rochester, Commercial Counsellor (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor E. H. Maguire, Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., New York City 20	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16	*Mail:* (City Address) *Cable:* Canadian *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. F. Renwick, Consul and Trade Commissioner W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Street, Chicago	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, Detroit 26	*Mail:* (City Address) *Cable:* Canadian *Tel.:* WOodward 5-2811
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Cable:* Canadian *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart New Orleans 12	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Cable:* Domcan *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way Seattle 1, Washington	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7° Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor F. B. Clark, Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 3306 *Cable:* Canadian *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from importers. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·00031.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 22	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	·05553	18·01	(3)
		Free	·02774	36·05	
Australia	Pound		2·2418	·446	
Austria	Schilling		·03845	26·01	
Belgium-Luxembourg	Franc		·01998	50·05	
Belgian Congo	Franc		·01998	50·05	
Bolivia	Boliviano	Official	·00526	190·04	
British West Indies	Dollar		·5838	1·71	(4)
	Pound		2·8022	·357	(5)
	Dollar	British Honduras	·7005	1·43	
Brazil	Cruzeiro	Effective selling			
		Category I	·01163*	85·97*	tax 10% (2)
		Category V	·00305*	327·42*	*Dec. 6
		Official buying	·05445	18·37	(6)
Burma	Kyat		·2099	4·76	
Ceylon	Rupee		·2102	4·76	
Chile	Peso	Official	·00500	200·08	(1)
		Exceptional	·00332	301·20	(7)
Colombia	Peso	Basic	·3999	2·50	(8)
		Free	·2499*	4·00*	*Dec. 22
Costa Rica	Colon	Official	·1780	5·62	
		Controlled free	·1506	6·64	
Cuba	Peso		·9997	1·00	tax 2% (2)
Czechoslovakia	Koruna		·1388	7·20	
Denmark	Krone		·1447	6·91	
Dominican Republic	Peso		·9997	1·00	
Ecuador	Sucre	Official	·06665	15·00	
		Free	·05779	17·30	
Egypt	Pound	Official	2·8707	·348	
Fiji	Pound		2·5245	·396	
Finland	Markka		·00435	230·10	
France	Franc		·00286	350·02	(9)
French Africa	Franc		·00571	175·01	(10)
French Pacific	Franc		·01571	63·65	(11)
Germany	D Mark		·2372	4·22	
Greece	Drachma		·03332	30·01	
Guatemala	Quetzal		·9997	1·00	
Haiti	Gourde		·1999	5·00	
Honduras	Lempira		·4998	2·00	
Hong Kong	Dollar	Free	·1701	5·88	*Dec. 5
Iceland	Krona	Official	·06138	16·29	
		Special buying	·04838	20·67	
		Special selling	·03808	26·26	(12)
India	Rupee		·2102	4·76	
Indonesia	Rupiah	Basic	·08758	11·42	(13)
Iran	Rial	Certificate	·01320	75·77	
Iraq	Dinar		2·7991	·357	
Ireland	Pound		2·8022	·357	
Israel	Pound		·5554	·180	
Italy	Lira		·00160	623·44	
Japan	Yen		·00278	360·10	
Lebanon	Pound	Free	·3080	3·25	

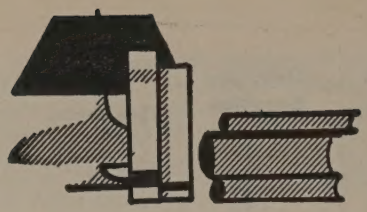
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent Dec. 22	Units per Canadian dollar	Notes (See below)
Mexico	Peso		·07998	12·50	
Netherlands	Guilder		·2611	3·83	
Netherlands Antilles	Guilder		·5261	1·90	
New Zealand	Pound		2·8022	·357	
Nicaragua	Cordoba	Effective buying	·1515	6·60	
		Official selling	·1418	7·05	
Norway	Krone		·1400	7·14	
Pakistan	Rupee		·2102	4·76	
Panama	Balboa		·9997	1·00	
Paraguay	Guarani	Basic	·04760	21·01	(1)
		Group I	·03703	27·01	
		Group II	·02856	35·01	(14)
Peru	Sol	Certificate	·05262	19·00	
Philippines	Peso		·4998	2·00	tax 17% (2)
Portugal	Escudo		·03489	28·66	(15)
El Salvador	Colon		·3999	2·50	
Singapore & Malaya	Straits dollar		·3269	3·06	
South Africa (Union of)	Pound		2·8022	·357	
Spain & Dependencies	Peseta	Basic buying	·04565	21·91	
		Basic commercial selling	·06086	16·43	(1)
		Free	·02567	38·96	
Sweden	Krona		·1932	5·18	
Switzerland	Franc		·2333	4·29	
Syria	Pound	Free	·2825	3·54	*Nov. 15
Thailand	Baht	Free	·04676	21·39	*Oct. 28 (1)
Turkey	Lira		·3570	2·80	
United Kingdom	Pound		2·8022	·357	
United States	Dollar		·9997	1·000	
Uruguay	Peso	Official	·6581	1·52	
		Basic buying	·5616	1·78	
		Special buying	·4254	2·35	tax 6% (2)
		Basic selling	·4760	2·10	(1)
		Special selling	·3570	2·80	
Venezuela	Bolivar		·2984	3·35	
Yugoslavia	Dinar		·00333	300·12	

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Argentina: Additional rates result from exchange retentions on export proceeds and surcharges on imports.
4. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
5. Bahamas, Bermuda, Jamaica.
6. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rates plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
7. Chile: Official rate applies only to most essential imports.
8. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality. The free rate applies to minor exports and less essential imports.
9. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
10. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
11. New Caledonia, New Hebrides, Oceania.
12. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
13. Indonesia: Basic rate applies to all exports and a few essential imports. Purchase of exchange for other imports is subject to surcharges of 50, 100, 200 or 400 per cent depending on products.
14. Paraguay: Paraguayan exports subject to basic rates plus variety of exchange subsidies and surcharges.
15. Portugal: Approximately same rate for Portuguese Territories in Africa.



businessman's bookshelf

Canadian Trade with the Caribbean

Bank of Nova Scotia Monthly Review. 6 pages. Free.

THAT "the Caribbean is one of the areas of the world to which Canada can look with some hope of diversifying her trade and checking the tendency towards extreme dependence on the United States" is one of the conclusions reached in this summary of changes in our traditional Caribbean trade pattern. Supplemented by a map and detailed statistics, the report explains how Canadian exports and imports have increased over 25 per cent since 1950.

The resulting increase in prosperity has not been felt in the islands depending on the sugar trade. However, particularly on the mainland, the long-established market for Canadian flour, fish, processed milk, tobacco, newsprint and lumber is being supplemented by purchases of our agricultural and industrial machinery, aluminum, copper, asbestos and cellulose acetate. Sugar difficulties and oil and bauxite sales successes are explained in terms which will help the businessman interested in the Caribbean to understand the newer, fruitful markets.

Order from: Economics Department, Bank of Nova Scotia, 44 King Street West, Toronto, Ontario.

The Story of FAO

By Gove Hambidge. 237 pages. $7.75.

TEN YEARS AGO the Food and Agriculture Organization of the United Nations was born at Quebec, the first of the new UN agencies. In it, forty-four governments set their hands to the task of raising levels of nutrition, improving the production and distribution of agricultural products, and bettering living conditions for rural populations. The annual FAO budget was set at $5 million; Canada pays 5·06 per cent of this. (The budget today has risen to $6·4 million.)

The undertakings and achievements of FAO in the decade since are covered in this book. To highlight the needs which FAO is striving to meet, Mr. Hambidge presents two introductory chapters. The first pictures the life and surroundings of a typical Egyptian fellah in the Nile delta; the second deals in the same way with Jim Barton, who farms in northeast Iowa. To narrow the gap between the two, the author implies, is the function of FAO. He goes on to show, region by region, how this is being done—and illustrates his story with excellent photographs.

FAO men and money have combated rinderpest in the Far East, worked to improve the breed of karakul sheep in Afghanistan, carried out a nutrition program in Peru, built pasteurizing plants in Greece, set up a soil conservation program in Italy—to name only a few projects. Studies of world food supplies and of nutrition levels in various countries have also received much attention.

In his introduction, the present Director-General of FAO, P. V. Cardon, points out that Mr. Hambidge stresses achievements and neglects the obstacles. But at a time when the obstacles to international co-operation are only too apparent, the positive approach is refreshing. Altogether it is a heartening report. All royalties from the sale of the book, incidentally, go to the work of FAO.

Published by: D. Van Nostrand Co. (Canada) Ltd., 25 Hollinger Road, Toronto, Ontario.

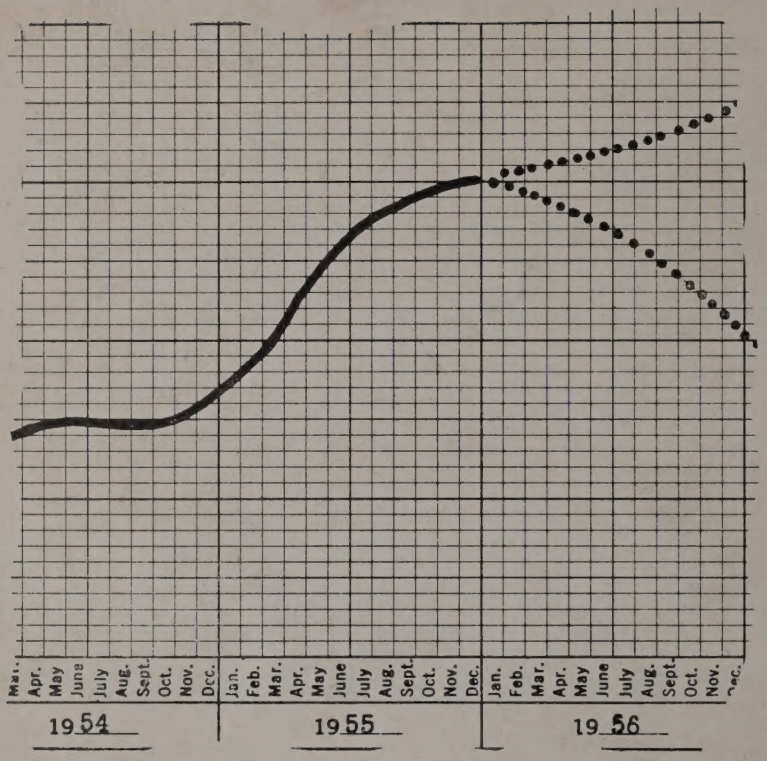
The Story of Canada's Currency

Bank of Canada. 24 pages. Free.

FROM WAMPUM AND PLAYING CARDS to the first issue of Bank of Canada notes in 1935 and the simplified design issued in 1954, the story of the development of a true Canadian currency is a fascinating one. Closely tied to the country's political and economic development, the currency used in Canada since the coming of the first French settlers has varied greatly in form and suffered many ups and downs.

The history of Canadian currency is told well, and attractively illustrated with pictures of early money, in this booklet produced by the Bank of Canada. It provides interesting and instructive reading for everyone and the final chapter gives a useful description of how to distinguish a counterfeit bill from a genuine one.

Order from: The Bank of Canada, 234 Wellington Street, Ottawa, Ontario.


Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov.
1954
1955
1956

and what about '56?

Now is the time when all good businessmen pause to give some thought to the coming year. '55 is finished, and good or bad, it's filed away on the shelf of experience.

And what about '56? Will your business rise or decline? No one really knows, because there are so many factors influencing the course of your affairs—many beyond the control of the individual.

But now is also the time for making predictions. Chances are fortune will favour those who are best informed about international business trends and developments, and are in a position to take advantage of opportunities as they arise. And a good way to give fortune a helping hand is to keep reading "Foreign Trade" in '56.